ACES Terrier

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

Volume 28 Issue 1 Spring 2023

ACES

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VOLUME 28 - ISSUE 1 - Spring 2023

ACES TERRIER

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

EDITORIAL

Betty Albon

Welcome to the 2023 Spring Terrier

Why an eye of a Grey Whale? Because this represents the importance of achieving the international net zero target and makes us realise that it is tangible. And it is something different to my usual choices of covers!

This is a bumper issue, and one which will give you plenty of reading, hopefully from a deck chair, if the current lovely weather continues. I am extremely pleased to have extended features on public sector housing initiatives, community partnerships, green infrastructure, and an amazing range of professional learning. My thanks to all authors who have provided for readers some cracking informative articles – where would I be without you.

And once more, a tremendous turnout from the branches which have submitted reports – almost a full complement (but I won't name and shame!). Reading these illustrates the exceptional value of being an ACES member, who can benefit from participating in all the collaboration and professional input such meetings provide – as well as gaining CPD!

Please share ACES' Terrier with colleagues - in hard copy and online www.aces.org.uk/library/.

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Grey Whale, San Ignacio Lagoon, courtesy of Chris Brain

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NATIONAL COUNCIL

Notes of ACES Council Meeting on 20 January 2023

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

This meeting continued the trend of hybrid meetings; the face-to-face element was held at the Guildhall Offices, London. Thirty members attended the meeting in person or remotely, making the meeting quorate.

Before the meeting commenced, the new ACES President, Helen Stubbs, introduced and welcomed Chris Hewitt to Council, Chris having formally taken up the post of ACES Treasurer from 1 January 2023. Chris acknowledged the support from outgoing Treasurer, Willie Martin, and the Secretary, and was looking forward to getting fully involved in the role.

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

President's report

The President, Helen Stubbs, reported on her activities since the last meeting. This mainly involved holding the workshop on the Future Vision for ACES and incorporating the findings and recommendations into the revised Business Plan (see below).

The President advised that she had now made contact with several branches and had made arrangements to attend meetings. Other branches would be contacted shortly in order to get all branch visits in the diary.

The President advised that she had been invited to meet Anne Gray, the new RICS President, at a meeting on 30 January. This was good news in terms of ACES exposure.

Secretary's report

The Secretary reported on matters arising during the period since the last Council meeting. He provided the latest statistics on membership which showed a reduction in membership numbers [Ed – see report in this issue of ACES' Terrier].

The Secretary confirmed that at the time of reporting, over 39% of invoices had been paid. It was noted that while member numbers were stable over the longer period, there had been a decline in the last couple of years.

Financial matters

The outgoing Treasurer, Willie Martin, presented a report on the financial position of the Association.

He was pleased to report that ACES continued to find itself in a healthy financial position, with no major issues facing it. However, it was noted that the strong income position was substantially due to the success of the SAM Diploma course and if it were not for this income, ACES would have been running at a deficit for the last couple of years; he warned against complacency with the financial position.

It was requested that details of the income now being generated from Corporate Members was passed to the new Treasurer, Chris Hewitt.

The Treasurer raised an issue about authorised signatories, the level of expenditure that should require two signatures, and the delegation of decisions on these matters to the Corporate Management Team (CMT). Council approved delegation of such matters to CMT with reporting back to Council as appropriate.

Consultations

The Senior Vice President, Sara Cameron, reported on responses to recent consultations, which included the changes to the RICS Red Book involving rotation of valuers, to which ACES responded, and the RICS Professional Statement on Compulsory Purchase and Compensation, which was an ongoing consultation.

ACES' Terrier

The Editor, Betty Albon, advised that she needed to finalise Terrier advertisers for 2023/24 and requested that details of the Corporate Members be forwarded when possible so that she could address those remaining as advertisers only.

Corporate Management Team

The Secretary reported that a number of meetings of CMT had taken place covering the day to day running of the Association. No fundamental decisions had been made for Council approval.

It was commented that a written report on CMT matters dealt with and decisions made should be presented to Council on a regular basis.

ACES Award for Excellence

The Senior Vice President confirmed information and forms for nominations would be issued in due course.

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 carrying out the presentations in a professional manner [Ed – see article and flyer for the next course in this issue of ACES' Terrier].

Malcolm advised that the 20% discount proposed by CIPFA for the next iteration of the course had been advertised to members and that this had resulted in an uplift in the number of candidates for the course. The secretary added that joining CIPFA in the 20% discount had been approved by CMT as a matter of urgency as the course dates were near. Council approved the decision made by CMT.

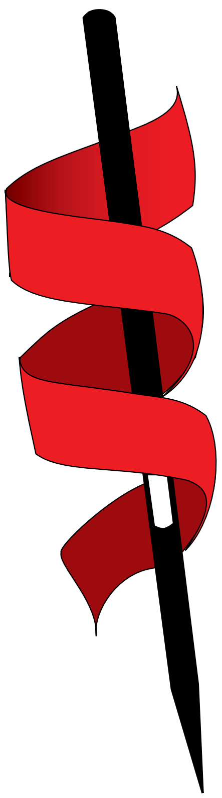
RACES/Homes for older people

Derek Rowell referred to his paper on the proposals to develop a iHOPE Research Alliance focussed on investment opportunities to invest in the development of homes for older people. He advised that there was considerable and timely support for this initiative from all sectors, including universities and the private sector.

He compared the proposed alliance to the very successful way in which ACES delivered ACES' Terrier by working closely with the private sector. He referred to the considerable amount of research that had already taken place and the alliance would be a good way of bringing this together and a basis for further targeted work on the iHOPE initiative.

Derek talked through the justification of the proposed funding input requested from ACES, which was partly to kick start the essential first stage of the research to get things moving while there was clear support from, for example, Avison Young and universities, and partly because Derek had to step away from the project for personal reasons. The funding should help to encourage someone to come forward.

It was considered that ACES may have difficulties to identify an immediate replacement for Derek for what was a high profile and complex initiative, and that such an appointment should be addressed on



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

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

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

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

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

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

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

Contact the ACES Secretary, Trevor Bishop MRICS, at secretary@aces.org.uk **for further information.**

the conclusion of the later discussions on the Future Vision for ACES, and how this was going to be resourced. It could be that iHOPE could form part of a new role.

Derek referred to the latest position on the RACES initiative and again that he would be stepping away from the lead role. However, he considered that there was still a good bunch of champions in the association who could keep the initiative running; perhaps a shift could be made whereby the branches took more of a lead and where the RACES champions and others were well represented. Derek was still hoping that one of the current RACES champions might be inclined to step up as main co-ordinator and continue to report back to Council – volunteers requested!

Derek's commitment and support in taking these initiatives forward was recognised and thanked by Council.

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 went 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, however, that the number of reports received was significantly less than usual, but accepted this reflected pressures that members were under and an issue addressed in the Future Vision workshop.

Andy Kehoe talked through key issues in his comprehensive report on Commercial Asset Management. Daniella Barrow provided an update on meetings and liaison with the RICS since November 2022 and confirmed she will forward an update tracker. Several topics had been discussed with RICS and efforts continue to be made to make sure RICS was aware of public sector pressures, issues and requirements and that attendance by RICS staff at ACES events and branches was promoted. The invitation of ACES President to meet the RICS President was welcomed.

The Eastern Branch report was submitted during the meeting. Gerry Devine apologised for his late report (which was subsequently added) and he talked through a number of issues that had been dealt with by the Welsh Branch.

FACES

Neil Webster talked through his report which covered support by ACES for the APC taken by public sector new entrants to the profession (NETTPs). Neil summarised the results of a survey he had sent out to members. Key points were that most people were on the Commercial Real Estate Pathway, and that candidates were mostly seeking training, mock interviews and peer to peer networking which ACES was well placed to provide. More detailed analysis would feed in to support the direction to be taken for the Future Vision when agreed.

Members recognised the support that ACES can provide which could be delivered through branches, particularly those with good university links, and strengthened the need for a revived Branch Liaison Officer role. Dave Norbury, chair of the NW Branch, gave an update on the good work being done for candidates in conjunction with Salford University. Alan Richards referred to initiatives taken in Eastern Branch to get NETTPs more involved.

Council approved the recommendation to take matters forward and support CMT in developing a plan to provide training, mock interviews and peer to peer networking.

Future vision/Business plan

The President reported on progress with the Business Plan Review and the moderate response to requests for input from members. Combined with the 2022 Conference, overall engagement from members and pressures on members, it was considered time to conduct a high level review of the future vision for ACES, which culminated in the workshop in December.

The President referred to the workshop which was attended by a broad section of members and addressed a good level of challenging issues. It was agreed that the issues could readily relate to the existing objectives of Promote, Equip and Influence, and break out groups developed this further, leading to a list of key initiatives/recommendations. The President opened up the meeting for further discussion.

On the Liaison Officer roles, there was general agreement with the idea of combining some of the topics and forming groups to deal with the items, instead of individuals. There was some discussion on which topics went together well (and accepted more thought on this was required, including very specialised topics such as compulsory purchase) and it was noted that it was still important to identify a lead for each group.

It was commented that we should also look beyond the thematic topics and production of Council reports and look more at the types of member we have, and what the membership wanted and needed from the Association. We needed to move away from our traditional silo approach and report production and focus on more practical support for members, which might include closer working with external businesses. ACES needed to recognise that the world had changed and that members were expected to deal with wider issues

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ACES

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

than pure surveying; support in this regard was critical. This might also help with recruitment to ACES if the membership support is more focussed, and make ACES generally more visible to the outside world. It was agreed that the groups will be established to do more than just report writing (to be developed further).

On the review of Awards the President described thoughts about expanding the number and level of awards celebrating our members' achievements and those of ACES as an organisation. Council supported a review of Awards.

The President referred to the proposals to strengthen the support from the national team, and from other branches, to the delivery of CPD days and other events in branches, particularly drawing on the successful events already in place. This included the idea of cross-branch events where practical. It was noted that the new liaison groups would have a role to play here as well as the Branch Liaison Officer role. This might also involve the revived Avison Young Espresso Briefings and rolling these out to the regions.

On social media usage and development of a communications strategy there was a general consensus that this was an area where ACES had an opportunity to exploit and do a lot more in terms of embracing the fast moving technology and information routes, including podcasts, YouTube channels etc. It was recognised that this needs to be well resourced by an experienced and 'media savvy' person, with regular reviews of the communication strategy built in. Getting this right would have huge benefits for ACES in terms of recruitment of members, but also to encourage more surveyors to work in the public sector and see what an excellent career can be gained from this sector.

The President noted that this would require a financial input and there was support from Council to invest further.

On developing the FACES initiative at branch level, the Senior Vice President undertook to report on the ideas that Eastern Branch was developing.

The President then referred to the proposals to trial, for one year only, the conversion of the National Conference into a one-day study day as a more interactive workshop, rather than a perceived talking shop. The emphasis was to develop something that would get more support from members' organisations to fund attendance, if there was more prospect of members bringing back some useful learning. While the traditional gala dinner may not fit the new format, the informal supper prior to the event was considered worth retaining.

There was a considerable debate on the pros and cons of the proposed approach and concern that ACES was moving away from an event that set ACES "apart from the crowd". It was noted that care needed to be taken to ensure that the subject matter of the study day was topical and relevant to as many members as possible. A more central location proposed for the study day was supported. Care needed to be taken to ensure that the study day was not "just another event". Marketing and selling the study day was hugely important, to ensure that organisations considered it was going to bring back some real and tangible benefits.

Comment was made about the enormous amount of free information and CPD activity now available on various channels, and concern expressed about how this might impact on future attendance at a live study day, and how ACES should counter that. It was also felt that freely available information impacted on some paid for services.

Discussion turned to retaining the unique format of the ACES National Conference, and if not part of the study day, transferring it to a refreshed and rebranded National AGM. The combination of some learning, some professional networking, and then further more casual networking at the evening events, with the inclusion of retired but wise and experienced members, has worked well over many years. Combining the conference and AGM could bring together the best of both worlds and it was important not to exclude any members.

There was consensus that the format of the AGM could do with a refresh and be more celebratory of what ACES does, and at the same time acknowledge the important financial and professional benefits the Association derives from Corporate Members and other partners and supporters. It was noted that the Corporate Members do like both the conference and the AGM enormously and from early discussions, were very supportive of proposals to refresh the events, but at the same time keep the unique ACES flavour and way of doing things.

It was felt that there was scope to use time better at the AGM to get more into the day (or days) and moving away from the traditional Friday for the event could be considered.

The President concluded, following the healthy debate. In essence, there was agreement on the Liaison Groups, extended use of social media, supporting branches, investment in a comms strategy, but that further thought was now needed on the Conference/Study Day/AGM proposals and the next steps.

It was noted that time was moving on and that decisions on what was achievable in 2023 were needed very soon and the President acknowledged this. She undertook to prepare a report with clear proposals for the Conference/Study Day/AGM for 2023 only, taking account of the views of Council members. At the same time, Neil Webster would consult Corporate Members.

Future meetings

The following future meetings were noted:

ACES Council	21 April 2023	Preston
ACES Council	28 July 2023	TBA
Annual Conference	21 September 2023	York
Annual Meeting	17 November 2023	TBA

Discussions took place with regard to the location, dates and format of Council meetings for the remainder of 2023. It was agreed that April Council would be held at County Hall in Preston. The secretary was requested to look into a Heart of England venue (preferably Birmingham) for the July Council meeting.

Any other business

It was noted that the appointment of the next Junior Vice President of the association was being addressed.

Chris Rhodes gave a further update on the 2022 Conference and referred to the attendance levels, the venue, the financial outcome, the social programme, the external challenges, and lessons learned. All in all, there was general consensus that the event was a success in a number of ways, even though it did not make a great deal of profit.

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

ACES MEMBERSHIP

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

I list below the changes in membership between 1 January 2023 and 31 March 2023.

New members approved

There were 18 new applications approved during the period:

First Name	Surname	Organisation	Branch Ref
Paul	Thomas	Bridgend County Borough Council	W
Sarah	High	Broxbourne Borough Council	E
Deborah	Quinney	Broxbourne Borough Council	E
Tim	Dodd	Cheshire West & Chester Borough Council	NW
Allan	McDonald	City Property (Glasgow) LLP	S
John	Smith	Falkirk Council	S
Damian	Cross	Greater Manchester Combined Authority	NW
Sarah	Jowett	Herefordshire Council	HoE
Stuart	Paskins	Hertfordshire County Council	E
Chris	Finch	London Borough of Camden	L
Matt	Harwood-White	Maldon District Council	E
Frank	Britt	Maldon District Council	E
Richard	Chilcott	Norfolk & Suffolk NHS Foundation Trust	E
Sharon	Taylor	Norwich City Council	E
David	Mitchell	The Scottish Government	S
Mirjana	Marjanovic	UK Parliament	L
Tim	Peake	UK Parliament	L
Craig	Hoggeth	Wokingham Borough Council	SE

Members transferred during the period.

Four members transferred during the period.

First Name	Surname	Branch Ref
Murray	Carr	NW
David	Street	NW
Alison	Boote	SE
John	Read	NE

Resignations

The following 10 members resigned during the period (Resignation includes where members leave an organisation and do not maintain contact with the Association, or where the member is over 12 months in arrears with membership subscription and is not responding to invoice reminders):

First Name	Surname	Organisation	Branch Ref
Tim	Holt	Preston City Council	NW
Dinesh	Kotecha	ACES Associate Member	L
Laura	Dutton	Cheshire West & Chester Borough Council	NW
Andy	Husband	Herefordshire Council	HoE
Audrey	Greenwood	Lowland Reserve Forces and Cadet Association	S
Alan	Phelan	NPS Humber Ltd	NE
Felicity	Paddick	NPS Peterborough	E
Neil	Hastie	Scottish Borders Council	S
Norrie	Curtis	Scottish Borders Council	S
Neil	Gordon	Stirling Council	S

Membership

Summary of current membership at 31 March 2023

Total Membership	
Full	213
Additional	78
Honorary	34
Associate	24
Retired	37
Total	**386**

Helen is Senior Transaction Manager at NHS Property Services and President of ACES.

PRESIDENT'S PIECE

Helen Stubbs, president@aces.org.uk

I committed to writing a short article for each of the ACES' Terriers, but as usual have left it to the very last minute before the deadline to submit [Ed – not as late as some!]. Like many of you, the year end processes and transactions have taken up the vast majority of my time in the last couple of weeks – and despite saying every year "next year will be different"; "my transactions will complete by the end of December" and with the best will in the world, external factors always seem to get in the way, or disrupt your well thought out plans, and it's a mad rush to complete everything in time.

In relation to year end transitions, and in particular the asset revaluations – HM Treasury is currently consulting on changes to the Non-Investment Asset Valuations. Non-Investment_Asset_Valuation_Thematic_Review_-_Consultation_Paper.pdf (publishing.service.gov.uk)

Chris Brain, ACES' Valuation Liaison Officer, is kindly collating a response on behalf of ACES, so please do feed any thoughts through to Chris before the deadline of 5 May. (chris@chrisbrainassociates.com)

I have engaged so far with four of the branches – South West, North West, Heart of England and South East - and have diary dates for the remainder. A common theme for each of the branches is attracting and retaining new members, and while I suspect this may have been proposed over the years, I have an action for every member…….

B.O.G.O.F

Bring One Gain (an)Other Friend (if anyone can think of better words to fit the acronym please do let me know).

The concept being, bring along a colleague or contact from another public sector body to the next branch meeting and try and persuade them to join – this is potentially more effective than emailing, or phoning, and just asking them if they would like to join. In return, you will meet people you may not normally engage with and even if just 1 person joins, that will be a success. If you can, try and bring along qualifying colleagues from the under-represented bodies such as the government agencies (eg Ministry of Justice; Environment Agency, Ministry of Defence, Forestry Commission) or the 'blue-light' sectors (police, fire and ambulance).

Planning for the National Conference is underway and I do hope that as many of you as possible can join us. It will be a 1-day conference rather than the usual 1.5 or 2 days, although if there is demand, we will look to have site visits on the following day, or further the social programme – please drop me an email if you have any ideas (helen.stubbs@property.nhs.uk). Please put **21 September 2023 in York** in your calendar.

The theme will be around health and the wider public sector working together – so looking at how the public sector estate can be used to facilitate health developments, and vice-versa; the challenges around developing the health estate; funding mechanisms; among other topic areas.

20 February 2023 saw the launch of the report written by Peter Bill and Jackie Sadek outlining a fresh perspective on a way public sector landowners might deliver truly affordable housing built out by smaller housebuilders on surplus land parcels. Below is a summary of the launch event, chaired by Sir Steve Bullock, Chairman of the Housing and Finance Institute (HFI). Jackie kindly agreed to write a summary of this report in the article that follows. The report can be found at http://files.localgov.co.uk/localis_638124875079337416.pdf

PUBLIC RENTAL HOMES The launch of an affordable housing initiative

Betty Albon editor@aces.org.uk

Jackie Sadek, joint author and ACES Fellow

Jackie set the scene, identifying the prolonged housing crisis of 40 years, predominantly the shortage of numbers and type of truly affordable rental homes. There are 1.2 million households on council waiting lists. Forty years ago, 85% of houses were at affordable rents, but this has been eroded to 15% today.

And why is that? The erosion of council house building has been accompanied by a hollowing out of the professional capacity of councils by the demise of roles such as Borough Surveyor and Borough Engineer. But through this initiative, the public sector can again involve small and medium enterprises – who have largely been squeezed out of the housing market – by legitimately 'taking a hit' on land value to enable development viability to 'stack up'.

Many local authorities are already providing affordable housing of various tenures through, for example, in-house companies [Ed – see Janice Morphet's article on the results of the third round of research of council housing activities in this issue of ACES' Terrier]. Tools need to be developed which retain affordable housing stock and prevent Right to Buy. This PRH model is another array in councils' armoury.

There is a need to upskill asset managers, to be able to understand how to manipulate the viability appraisal residual method, how to identify potential sites, and identify potential SME partners. One route to this could be to enrol on the CIPFA/ACES Diploma on Strategic Asset Management [Ed – see report in this issue of ACES' Terrier].

Peter Bill, joint author

So how will this model work? While the conventional residential viability appraisal generally attributes 20% profit to the private units and 6-7% for affordable housing, the PRH model takes a fresh look at the viability with your identified SME: 20% profit will be credited on the total development and local authorities can influence exactly what mix of housing units and tenures can be built. This is likely to result in a very low, nil, or even negative land value, but can be justified – and more importantly, in conjunction with the Public Services (Social Value) Act 2012, satisfy s123 Local Government Best Value price for land disposals. By forfeiting the land value and the SME housebuilder taking on all the risk, the council in exchange receives a revenue stream and obtains significant social benefits from the partnership.

The benefits of the model are that it can be applied effectively to small areas of underused or vacant land in towns and villages (which anyway may have limited value recorded in the council's asset register); it is unlikely to be of interest to volume housebuilders; but it is likely to attract many SMEs who have largely been squeezed out of the market.

Eamon McGoldrick, ALMOs

Eamon is the Managing Director of the National Federation of ALMOs (arms-length management organisation) who has predominantly been involved in the Barnet Group, a local authority trading company created in 2012 and owned by Barnet London Borough Council. Barnet Homes manages the former council housing stock and Opendoor Homes, its subsidiary, is its registered provider to develop affordable homes. Many have been built on small sites and the Heritage Lane model largely follows the PRH concept [Ed – see article in this issue of ACES' Terrier].

Eamon sees a role for PRH in the spectrum of housing provision, which is particularly important in giving confidence to local authorities that the properties will remain in perpetuity as part of the rental stock.

David Simmonds CBE MP, APPG

David is the chair of the All-Party Parliamentary Group for Housing. He expressed frustrations that over many years, a number of permissioned sites had not been built out; that people who had been on housing waiting lists for 5-10 years had still not been offered a home in their local area, but could be relocated to northern England; that junior doctors, for instance, could only afford a one-bed rented flat in London, but a 5-bed house in Wales; that new housing developments did not cater for special groups such as the disabled; that people were put into temporary housing; and something not widely recognised – development companies 'borrowing' from their in-house finance companies also imposed a lending rate of 20% which represented additional profit to the company.

PRH offers opportunities for local government to be the enabler and to overcome the unbalanced economy of the regions. While it seems unlikely that new legislation will address these inequalities in the housing market, we need to look at better levers such as PRH.

Natalie Elphicke, HFI

As one of the sponsors of this research, HFI with Localis, brings together cross-party independent thinking to give places and people more control locally to deliver housing. HFI takes a practical approach to help ensure there is sufficient affordable housing. PRH represents an opportunity to see what can be done in this housing crisis, and the HFI's 2023 programme will consider what may be brought forward in the next 18 months.

Jackie is Director of Urban Strategy, a consultancy specialising in advice on public sector partnerships with the property industry. She is Chair of the Estates Gazette Public Sector Forum, an Honorary Fellow of ACES, and co-author of "Broken Homes: Britain's Housing Crisis Faults, Factoids and Fixes".

She is former Policy Advisor to government and now Chief Operating Officer of UKR. She spent decades as a regeneration specialist, and is now developing 1,500 homes in Bedfordshire.

PUBLIC RENTAL HOMES Fresh perspectives

Jackie Sadek jackie.sadek@urban-strategy.co.uk

Following my summary, here Jackie states some profound statistics about the lack of really affordable housing, and outlines how councils may be proactive in using one tool to help bridge that gap. A simple residual model explains how the concept works. "Public Rental Homes: New Perspectives" https://localis.org.uk/wp-content/uploads/2023/02/052_PRH_PRF5-1.pdf

I hardly need to tell you guys on the frontline, you ACES Members or - even more so - your planning colleagues, that there is a housing crisis. We all live with it, day-in and day-out. And we're all exhausted with it.

Disturbing statistics

In the main it is a crisis of affordability. In 2015, 1,255,000 households were awaiting council homes in England. Today the list of families hoping to be accommodated stands at 1,206,000. A queue containing perhaps 2.5 million men women and children. It is simply eye watering. Since 2015/16, when higher band "affordable" housing began to kick in, 700,000 so called "affordable" homes have been completed. Yet waiting lists have barely shortened. A pitiable record, giving the constant political push to supply "affordable" homes. The fact is very few homes tagged "affordable" can actually be afforded by those on waiting lists, as only a minority are leased out at what's call "social rent" - which is about half the local open market rent.

Forty years ago, 57,000 out of the 66,000 "affordable" homes built in England were leased at "social rent" levels. In 20/21 just 8,000 of the 52,000 affordable homes were in the "social rent" category - including a creditable 2,100 in London. Social rent homes used to account for 85% of new affordable homes, with other variants 15%. By 2020, that position had reversed (See Table 1).

A new generation of council housing?

So what can be done to provide more homes for those who can only afford half market rents?

Answer: build a new generation of council housing - sorry, Public Rental

Table 1: Source: ONS

TENURE	1992-93	1993-94	2019-20	2020-21
SOCIAL RENT	57,023	48,941	6,766	6,051
London Affordable Rent			1,797	2,102
Affordable Rent			28,263	23,830
Intermediate Rent			1,748	2,018
Shared Ownership			18,239	16,984
Affordable Home Ownership	8,698	14,795	2,108	1,132
Unknown tenure	0	0	43	28
ALL AFFORDABLE	65,721	63,736	58,964	52,145

Homes - in cooperation with the private sector: a politically neutral plan that Peter Bill (former Editor of Building and the Estates Gazette, and a QS by training) and I put together called "Public Rental Homes: Fresh Perspectives". This was launched in February 2023 by housing think tank Localis and the Housing Finance Institute [Ed – see previous article]. We were super grateful to a crack team from ACES who helped us develop this report. You are great partners to have.

Label us cowardly if you like (and we are, we are) but we have attempted to duck any political controversy over calling for the re-emergence of council housing, by simply coining the term Public Rental Homes (or PRH). And why not? And call us cynical, if you wish (guilty as charged here, too), but we know our industry well enough to know that it loves nothing better than a triple letter acronym. Just look at all the froth over the PRS or the BTR over the last decade. And sure enough, the construct of the PRH seems to have legs in the property industry. Peter Bill and I are meeting with a number of national surveying practices over the next few weeks, to discuss whether they can roll this out to their clients. And, if the big real estate consultancies run with this, then that will be half the battle.

Here's the basic idea: we turn the existing s106 model on its head. Rather than private sales subsidising "social housing", we use site-by site appraisals to figure out the number of PRH homes that can be subsidised from private sales (Table 2). But the key thing is that PRH stock must be rented at "social" rents in perpetuity.

Under the PRH model, local authorities would be responsible for identifying sites that might meet PRH criteria and initiate discussion with developers. We would recommend looking at SME builders or developers, preferably local to your council. For their part, developers would assume 100% of the risk - but take a 20% margin on both the PRH homes as well as their own private units. Why? First, because - as we all know - when councils think they should either take 100% of the development risk, or even 50%, things can go wrong. Second, why should the developer get out of bed for the standard 6-7% they are allowed to add to "affordable" homes in traditional residual land value appraisals? The sale might be guaranteed. But the financial, time and construction cost risks remain.

How PRH might work

On behalf of their council, a proactive ACES Member identifies possible PRH plots, more likely smaller brownfield sites with little or no residual land value. A 5/10-year strategy to house at least X number of households on the waiting list is drawn up. The size and mix of the PRH homes on the identified sites should reflect the needs of those on the waiting list. If half the households on the list need at least three bedrooms, then half the PRH homes should contain three bed homes. The percentage of PRH homes on each site should be left up to the council within wide bands, not dictated from above. Site by site deals are struck with the private sector. The council receives the freehold of the PRH units with rented-in-perpetuity covenants. If the viability study shows a

Residual Land Value appraisal – PRH model

	AVERAGE	UNITS	TOTAL — £ MILLIONS	
INCOME				
Private - today's prices	£300,000	75	22.5	
PRH - at cost	£150,000	75	11.25	
Anticipated private sales increases - if included			1.25	
Gross development value				35
Residual land value				1.5
EXPENDITURE				
Section 106	£2,000	150	0.4	
Construction	£150,000	150	22.5	
Professional fees	£2,000	150	0.3	
Marketing	£5,000	75	0.4	
Sales	£3,000	75	0.2	
Finance costs	£20,000	150	3.0	26.8
BUILT-IN PROFIT (FOR BUILDER)				
75 private units (20%)	£60,000	75	4.5	
75 public rented (20%)	£30,000	75	2.2	
				6.7
Build cost + profit + residual land value = GDV				32.2

TABLE 2: The PRH model

positive land value agreed by all, then fine. If negotiations on the number of PRH units drives the land value into the red, then that red figure forms the basis for negotiations on land input figures, government loans, or grants [Ed – the Hermitage Lane model developed by Barnet Council largely reflects this model (see the following article)].

The Public Rental Homes concept is simply a fresh way of looking at existing challenges. Plenty of JVs exist between councils and developers across the UK. The PRH model conceptualises a way to add to, rather than supplant existing arrangements. Done without the requirement for legislation or changes to the planning system. Done without the need for grinding political battles. Done to appeal to both main parties. Done in partnership with the local authority acting as a prime promoter, perhaps supplier of land, and certainly facilitator of planning permissions. Done to match the needs of local families waiting for homes. This might sound old-fashioned, but we still believe in local authorities being the custodians of their place, their people, their community. We believe that councils should be encouraged to just get on and deliver, utilising existing powers and resources, and not troubling Whitehall if at all possible.

We are profoundly grateful to ACES for your support and expertise as we went on this journey. What we're suggesting is hardly rocket science. But we think that the housing debate is so tired and over-complicated that any fresh thinking is welcome. If any reader of ACES' Terrier would like to follow this idea up - possibly seeking to become a pilot on behalf of their local authority - then please do not hesitate to get in touch. There is all to play for.

Public Rental Housing: ACES recommendations

The following proposals have been developed in consultation with the ACES' leadership team.

The central suggestion is that local authorities should acquire (or utilise existing) land that is suitable for housing, within the provision of their local plan, seek planning consent for housing on this land, and then commission the delivery of new homes. Local authorities have a wide range of powers in this regard, notably planning and Compulsory Purchase Order powers, and the ability to borrow money at preferential rates through the Public Sector Works Loan mechanisms.

Many local authorities benefit from a wide range of property assets. Moreover, councils enjoy valuable convening powers: the ability to establish creative partnerships to meet social policy objectives. Overarching this is the "General Power of Competence" outlined in the 2011 Planning and Localism Bill, which empowers councils to undertake activity for the benefit of their locality, provided that activity is legal and demonstrably in the public interest.

The PRH approach would work well for those authorities which are struggling to meet their five-year housing supply land target via the conventional routes and which are willing to work creatively with the private sector. It is estimated by Knight Frank that the public sector property estate is worth some £450bn. Of this, a minute fraction would be appropriate to be put forward for housing development. Nevertheless, a good start point for any PRH approach would be to build homes on publicly owned land – although this will of course not be enough. We do not propose that PRH should be restricted only to publicly owned land. For those local authorities who signal their willingness to be PRH compliant, we would suggest several other routes for land supply:

- Land owned by other parts of the public estate in a local authority area that would be suitable for PRH
- Land owned by third parties in the local authority area, who are willing to put their land up for housing: categorised as 'land partners'
- Opportunist purchases: suitable land currently owned by private owners, which may come onto the market and could be purchased for PRH purposes.

ACES recommendations

The following recommendations were developed with ACES, aimed at both local and central government. Ultimately, PRH activity must be driven by local government in a localist context.

Local government recommendations

- Councils should set minimum levels for PRH units
- Right to Buy rules should be altered to allow receipts to be used for PRH units
- PRH rents should be set over 10 years to create stable private investment platforms
- For PRH units, councils should make mandatory current advisory space standards.

Central government recommendations

- English local authorities should be mandated to have a five year programme of house building, in line with what is extant in Wales and Scotland
- Councils should be encouraged to build Public Rental Homes, as a matter of policy
- Councils should be incentivised by a new iteration of the New Homes Bonus for each PRH home delivered
- A Client Relationship Manager from Homes England should be appointed to assist councils making sure the right connections are established.
- Government should establish a central PRH Support Team, sitting between DLUHC and Homes England, but with reach across Whitehall, to support councils in acquiring land and delivering PRH schemes. This team would be available to advise and support officers on the ground, but only if requested to do so by local authorities.

COUNCIL HOUSE BUILDING, BARNET
A new age of "council" house building in Barnet

Derek Rust Derek.Rust@thebarnetgroup.org

Derek is Group Director Development & Growth, The Barnet Group. He has worked in London council housing for almost 40 years, including time at Westminster, Tower Hamlets and Barnet. He is passionate about the delivery of public services that can make a difference to the lives of residents and housing applicants.

Most of that time, Derek has worked in the delivery of a wide range of services to council tenants and leaseholders. He has also had overarching responsibility for homelessness and undertaken most of the responsibilities of a local authority housing department at some point or other.

About 5 years ago he transitioned to establish the development function in Barnet Homes, as well as supporting other growth and strategy activities.

At the launch of the Public Rental Homes report, Barnet was distinguished as a case study of council house provision using its housing companies. Here Derek outlines important progress made and plans ahead. The Hermitage Lane model illustrated here largely follows the PRH model outlined by Jackie Sadek.

A lost generation of council house building

From the early 1980s when I started in local authority housing, through to the early 20teens, there was effectively no local authority direct delivered council house building. There was a generation of enablement through housing associations and private developers, while local authorities like Barnet retained the responsibility (and the costs) for the homelessness function.

In that thirty plus year period, the best local authority land opportunities were effectively outsourced and all of the corporate knowledge and capacity to deliver council development was lost.

High Road houses

A new start

The introductions of new local authority freedoms from around 2012 in the way in which councils could use their Housing Revenue Account (HRA) meant for the first-time council housing could be delivered. Previously, the locally held HRA through which income and expenditure from council housing was accounted for had been strongly controlled by central government as a national resource. This control largely precluded any ability to develop new homes, even though many accounts created "surpluses" locally. That anomaly was finally changed, giving local authorities who had not transferred their stock to others the ability to make local choices in respect of priorities. This could include new council housing, with an increasing expectation that this would be the case to help alleviate the ever-growing homelessness pressures that councils like Barnet were facing. In Barnet, that meant utilising the council's wholly owned subsidiary Barnet Homes, an Arms-Length Management Organisation (ALMO), to prove that it could develop new housing to the same quality and cost points that local housing associations could, while retaining the land and rental income stream within the local authority's control.

From small acorns...

Like many, in Barnet we started small: 3 council houses completed on a small infill

Balcony Views, Gracie House

site in the east of the borough. From this proof of concept we started to scale up, with a further 40 homes built across 6 sites, and a 53-home extra care scheme. All sites were small and difficult infill sites that other "self-respecting" providers would not touch.

We needed to attract development talent in a difficult recruitment market, where higher pay and more attractive opportunities lie within the private sector and with housing associations. Good to report then that there remain professionals out there, including up and coming new talent, who retain a strong commitment to social purpose and making a difference within a small team, and where they have greater influence and an ability to learn or progress.

New relationships with internal stakeholders also needed to be forged as the council re-learnt, for example, what it was to be both a developer and planning authority. This took time and was sometimes a clunky process: we had to be conscious of who we are and this is why we are doing it.

Local housing companies

To help accelerate our progress in delivering new housing, in 2017 we established a subsidiary housing company to Barnet Homes. Opendoor Homes (ODH) became a Charitable Community Benefit Society and a registered housing association, ultimately wholly owned by Barnet council but with high levels of independence to act. This enabled wider access to grants and the ability to develop new housing using borrowing outside of the HRA, which despite its new freedoms, was increasingly under pressure to meet wider obligations. This has more recently included further investment into fire safety and damp and mould solutions. With ODH established, a further programme of 340 homes was commissioned across 27 sites, including a new 50-home tower block in East Finchley. By early 2023, ODH had roughly 700 homes in ownership, with the new build programme being supplemented by an acquisitions programme of open market homes for a more immediate response to housing need.

Making schemes work in a high cost environment

All the schemes to date were 100% affordable rent, supported by either Greater London Authority (GLA) grant or an allowed proportion of receipts from sales through the Right to Buy programme as subsidy. However, the issue with building out relatively small complex sites is viability, put simply, cost versus income. Build cost inflation, particularly in London, is a significant factor in viability calculations, alongside the limited loan capacity that affordable rents can support.

Ultimately, local authorities are increasingly having to enter the mixed tenure space, using sales to help cross subsidise scheme costs, while also making for better more balanced communities and place making. The issue with market sales is the fact that it exposes councils to greater financial risks such as the upfront capital costs of building the homes, the potential impact of unforeseen development delays, build cost inflation, and what if the homes don't sell. All of these are very real risks, particularly if you do not have very deep pockets or strong commercial experience to know how to mitigate them.

The "Hermitage Lane model"

We came up with an innovative approach to mitigate these risks using the benefit of the high value and relative scarcity of developable land in North London. Land in North London is gold and needs to be leveraged hard to extract its full value. We identified a site in Barnet for development. Supported by the council, we produced a policy compliant 51-home mixed tenure scheme and obtained planning consent. Policy compliant at that time was 60% market and 40% affordable housing. Worth noting, very few, if any, private developments were achieving that policy compliant mix in Barnet. This proposal became what we now call the "Hermitage Lane model".

We sought a development partner who would:

- Provide the working capital to build the scheme, taking full build cost risk for the delivery
- Who would take full sales risk for the market sales homes
- Who would pay the council a land receipt for the scheme reflective of

Hermitage Lane

its higher value by way of having a planning consent attached to it

- Opendoor Homes would acquire the 15 discounted affordable rent homes, further supported by GLA grant with 100% nomination to Barnet Council
- Opendoor Homes would take the sales risk on the 6 shared ownership homes, also supported by GLA grant
- Opendoor Homes will retain the freehold of the site after the development partner has sold its last home.

This is not being delivered through an often time-consuming and complex joint venture approach. Instead, we are using an enhanced development agreement to cover the clear responsibilities of each party.

What is in it for each party?

Barnet Council

- Low risk policy compliant mixed tenure development that meets local housing needs
- No deployment of working capital after planning consent is gained
- Ultimate risk mitigation if no partner came forward, sell site at enhanced rate with planning consent to recover limited investment
- Freehold of site remains in the wider council family and will be leveraged again in the future, to deliver more supply once it has sufficient equity.

Opendoor Homes

- Growth for a start-up housing association with limited financial strength
- Kudos for developing an innovative solution for Barnet Council
- A model that can be replicated on other suitable sites.

Developer – in this case it was Hills Partnerships

- Access to developable land in North London (gold remember!) without up-front purchase costs or land banking
- Contracting profit
- Development profit but with an overage agreement with Opendoor Homes and Barnet Council once the priority return has been achieved.

How did it go?

Hermitage Lane, or as it is now known, The Artisan, completed in late 2022. Despite all of the difficult world events during the development period, it has been a success. All the affordable rent homes are let, and the shared ownership are either sold or reserved. Hills has a handful of sales to complete, which again in the current environment, is remarkable.

We take our next scheme to committee in March 2023 with a view to gaining an approval to seek planning consent on two more sites.

...to mighty oaks

Overall, our wider development programme, whether for Opendoor Homes or Barnet Council, has gone from strength to strength, having started so small. We have completed 464 new homes and currently have just over 400 on site, including over 200 homes on one site in Hendon.

We are preparing a planning application for a 500-plus-home mixed tenure regeneration scheme in the West of Barnet in what will be a joint venture. Alongside that, we have well over 400 other homes in the early stages of feasibility which, subject to the current challenges of viability, we aim to bring forward over the next two years.

Not a bad achievement in little over 8 years.

Richard is Group Business Development Director for the Norse Group, with over 30 years of experience in the built environment for the private and public sectors, and a key leader of the executive team charged with strategic client retention, new client acquisition, and revenue growth. Cultivating long-term relationships and joint venture partnerships, Richard builds successful pipeline opportunities for public sector clients, creating new revenue streams and growth. Richard's 'raison d'être' is to support, help and assist public sector clients, their communities and residents, to work and live well within the built environment. He is passionate about our planet!

AFFORDABLE HOUSING, BRENTWOOD Implementing a sustainable and affordable strategic housing delivery programme

Richard Gawthorpe Richard.Gawthorpe@norsegroup.co.uk

Richard sets out another option of public-public and public-private partnerships to achieve affordable housing: "what sets the Brentwood, the Norse Group and Barton Willmore partnership apart is their commitment to not just delivering services, but also embracing the local economy, the environment, and the wider community."

Context

During the ACES National Conference in Sutton, London in 2022, which centred around the theme of "2050: The Path to Sustainable Communities," professionals from different fields convened to discuss various topics related to the conference's theme. One of the sessions included representatives from Brentwood Borough Council and its strategic partner, the Norse Group, who explored how the council could implement a sustainable and affordable Strategic Housing Delivery Programme (SHDP) in Brentwood over the next seven years. The programme aims to deliver more than 200 new sustainable homes, and the panel shared the first of many net zero carbon (in-use) projects, including the first 62 homes that will be built as part of a redevelopment proposal for empty and derelict homes, council-owned garages, and some older homes currently occupied at Brookfield Close, Hutton [Ed – see Conference write up in 2022 Autumn Terrier].

Brookfield Close presents an excellent opportunity to utilise a brownfield site effectively, since 88% of the borough comprises greenbelt land. The proposed development will help alleviate the pressure on the greenbelt, and reduce the number of families on the housing waiting list and those currently living in temporary accommodations.

The SHDP programme aims to deliver measurable social impact by unlocking the potential of local skills, qualifications, and apprenticeships in net zero technology, promoting positive health and wellbeing outcomes and GP intervention savings, and easing debt and fuel poverty, among other benefits. The programme's focus is not limited to just delivering homes, but also extends to addressing wider estate regeneration and homes for life.

Creating better life chances/ progress report update

Brentwood Borough Council's Affordable Housing Programme delivers new homes on council owned land, all of which are aimed at zero carbon standard, and offer a range of high-quality and energy efficient homes to meet the needs and

PANEL SESSION

STRATEGIC HOUSING DELIVERY PROGRAMME

Re-purposing and regenerating a HRA site in a walkable neighbourhood.

CHAIR:
DANIELLA BARROW
Senior Director
Norse Consulting

PANEL:
STEVE SUMMERS
Strategic Director
Brentwood Borough Council and Rochford District Council

PAULETTE MCALLISTER
Programme Lead:
Strategic Housing Development Programme

RICHARD GAWTHORPE
Group Director
Norse Group

NET ZERO: MAKING ESSEX CARBON NEUTRAL

READ HERE

CASE STUDY | BROOKFIELD CLOSE

circumstances of residents, both now and in the future.

Brookfield Close is the first site within the programme and was submitted to the Local Planning Authority at Brentwood in December 2020, and approved at Planning Committee in June 2021 with cross party support. The site is nearing full decant of existing tenants and buy back completions, and the council is progressing with enabling works and contractor procurement this Spring 2023.

The development transforms the existing site within Hutton from an underused area containing housing, bedsits and vacant garages, to a zero carbon housing development comprising 16 detached, semi-detached, and terraced 2, 3 and 4-bedroom houses, and 46 flats/ apartments (1, 2 and 3 bedrooms).

At least 70% of the new homes will be affordable, with a smaller number available for private sale, both to support viability, but also to create the same mixed tenure community that exists at present.

The scheme was subject to scrutiny and assessment by the Essex Quality Review Panel, where it was commended for its development principles and social return. A parallel study on the Social Return on Investment was undertaken, clearly evidencing the direct benefits of net zero carbon homes for health and fuel poverty. While the direct savings on energy bills are sufficient to generate an attractive return for residents, the monetised health benefits associated with improving indoor environmental quality can be more significant. A Department of Health Report as far back as 2009 recognised that for every £1 spent keeping homes warm can save the NHS 42p in health costs (Source 2009 Annual Report of the Chief Medical Officer).

The development principles for Brookfield Close include the provision and inclusion of green and blue infrastructure, including allotments and above ground Sustainable Drainage Systems, to encourage urban ecology and biodiversity net gain, as well focusing on high quality and accessible homes through the tenure blind scheme.

Brookfield Close is defined as a pedestrian friendly 'home zone', which also acts as means of access to and from the nearby primary school. Links have been made with a local community transport group, to encourage the shift from reliance upon private vehicles towards sustainable means of transport.

The programme and this site were commenced in September 2020 while the UK was in lockdown; creative solutions for engagement and support were challenging but ensured that the delivery of affordable homes was not halted during the period of uncertainty the global pandemic brought. A comprehensive programme of engagement with existing residents and the wider community included a series of live webinars (through the pandemic), a dedicated website with feedback capabilities, pre-recorded webinars; 1-2-1 meetings with individual residents and schools, Brookfield Close Residents Association and ward councillors; community newsletters; and a dedicated resident's support team for existing residents.

Community engagement

Community engagement and resident support continues into 2023, with a planned pop-up education pod on zero carbon learning to be established this Spring, to share the process and wider programme within the public sector and wider community. A parallel mini education programme is currently being developed to share zero carbon learning with the local schools in the hinterland to the development site.

Miss L, from Brookfield Close said: *"I joined in one of the webinars at the beginning of the consultation and feel we had a say in the plans for the new homes and play spaces. We have regularly received newsletters and emails to keep us updated on what is going on and the plans."*

Mr H, from Brookfield Close said: *"As an 80-year-old gentleman who is having to unexpectedly leave his home I can't praise or thank the resident support team enough for all their care, patience, understanding and support over the last 2 years. Having to leave your home is very unsettling but I have*

Community Focus Award

This award is for the initiative that does most to reinvigorate the local community. This might be for a major programme of regeneration that creates economic opportunity for the local area or initiatives that engage the local community, creating greater resilience, better life chances and less dependency on public services.
#communityenablement #vibrantcommunities

GOLD WINNER: Brentwood Borough Council - Strategic Housing Development Programme

Brentwood Borough Council has developed an exemplar zero-carbon housing programme in partnership with the Norse Group & Harrison Barron Smith and Barton Willmore [now Stantec]. The programme has seen measurable social impact of Brookfield Zero Carbon in use in terms of unlocking potential local skills, qualifications, and apprenticeships in this technology; driving positive health and wellbeing outcomes and GP intervention savings and easing debt and fuel poverty. Through the programme, the council will deliver over 200 affordable homes within a 7-year period, the benefit will be more than homes, seeking to address wider estate regeneration and homes for life.

Extract from the iESE WINNERS special issue

always felt that there is someone holding my hand and I am never alone."

In parallel, elected members and officers have received training from the in-house officer team and the delivery partners, to inform the wider audience within the council of carbon reduction in the built environment and the needs of residents both directly impacted upon as well as within the site context. The development principles of the Affordable Homes Programme complement the councils' own corporate objectives, which is to seek carbon reduction in new development and deliver quality affordable new homes on brownfield sites.

The scheme is highly innovative in the delivery of affordable homes and is cited by the Essex Climate Commission as an exemplar case study for the Essex Built Environment. With immature supply chains for this technology and low volumes of new homes being built to this standard currently in Essex, early viability assessments have shown a financial challenge. However, the commitment to quality new homes and the environment is supported cross party.

Partnerships

Richard highlights the unique and innovative approach that Brentwood Borough Council, the Norse Group and Barton Willmore (now Stantec) takes when it comes to their public-public and public-private partnership. Such partnerships are becoming increasingly popular in local government as they can provide a range of benefits, including increased efficiency, cost savings and better service delivery. However, what sets the Brentwood, the Norse Group and Stentec partnership apart is their commitment to not just delivering services, but also embracing the local economy, the environment, and the wider community.

One of the key ways that Brentwood achieves this is by working closely with its partners to identify and address the specific needs of the local community. This involves engaging with local residents, businesses, and organisations to understand their concerns and aspirations, and then working together with them to develop solutions that address these needs. This approach ensures that the services provided are tailored to the specific needs of the community, making them more effective and efficient.

Another way that the partnership is unique is its commitment to meeting the government's Environmental, Social, and Governance (ESG) criteria. ESG criteria refer to the set of standards that measure a company's impact on the environment, society, and corporate governance. By committing to meeting these criteria, Brentwood Council and the partners are demonstrating their commitment to sustainability and responsible corporate citizenship. This approach ensures that the services provided are not just effective and efficient, but also have a positive impact on the community and the environment.

Jonathan Stephenson, Joint Chief Executive of Brentwood Borough Council and Rochford District Council added: *"Through the programme, the council will deliver over 200 affordable homes within a 7-year period, the benefit will be more than homes, seeking to address wider estate regeneration and homes for life which through a fabric first approach, will reduce fuel poverty and have wider health benefits for our residents."*

Celebrations all round/ Brentwood wins gold

At the iESE UK Public Sector Transformation Awards on 8 March 2023, the public sector came together for the 14th year of these awards to celebrate stories of innovation that have meaningfully impacted residents and businesses alike. With 16 award categories, with Gold, Silver and Bronze awards being presented in each of the categories, Brentwood won GOLD in the 'Community Focus Award' category, which recognised initiatives that do most to reinvigorate the local community, creating greater resilience, better life chances and less dependency on public services.

Clearly this national recognition of Brentwood's SHDP is a testament to the council's commitment to its communities, residents and wider vision for housing in England.

Janice is a Visiting Professor in the Bartlett School of Planning at University College London. Janice was a Senior Adviser on local government at DCLG 2000-2005, having been Chief Executive of Rutland CC, Director of Technical Services at Woking, and Professorial Head of the School of Planning and Landscape at Birmingham Polytechnic.

Ben is Associate Professor in Spatial Planning and Government at the Bartlett School of Planning, UCL. His research interests centre on the relationship between state modernisation and the planning system in the UK. Recent work has included projects on devolution and spatial planning, planning for national infrastructure, the implications of office-to-residential permitted development, and local authority delivery of housing.

COUNCIL HOUSING RESEARCH
Local authority direct provision of housing: an update report

Professor Janice Morphet, BSc, MA, PhD, Dip TP FRTPI FAcSS j.morphet@ucl.ac.uk and Dr. Ben Clifford ben.clifford@ucl.ac.uk

Janice and Ben outline the key findings of their latest tranche of research concentrating on looking at the range of local authority initiatives for the direct provision of housing. This research informed the PRH initiative featured in this issue of ACES' Terrier.

The ongoing research

Since 2017, we have undertaken research on the ways in which English local authorities are providing housing. In 2017, 2019, 2021 and, now in 2023, we have undertaken the same four components of research to track the development and increase of local authority engagement in housing delivery, which now appears to have shifted from what was considered a marginal activity to one that is more mainstream, as part of a core set of council activities.

Desk survey

The research comprises firstly of a desk survey of all local authorities in England and identifies the type of activity which councils are engaging in, including their HRA if they have one, companies and joint ventures and working with housing associations. The survey for 2023 is currently being undertaken and should be available in June. The survey tables contain the names of council companies, where they have them, their JV partners, and whether they have an HRA or an Arms-Length Management Organisation. In 2021, we collected some additional information which has been carried forward into the 2023 survey. This included where councils had identified the provision of affordable housing as part of their corporate plan or strategy and, in 2021, this included 80% of all local authorities. It would have been helpful to see any links between the corporate strategy and a delivery plan, but this appeared only to be present in a minority of councils. Nevertheless, this is a significant commitment and stretched across councils of all types of political control, size and location within England.

The second new information which we collected in the 2021 desk survey that has been carried forward to 2023 has been where councils are providing housing through their role in regeneration and/or master planning. Here councils may have a land interest or be contributing funding. In other cases, their role may be through advocacy or reducing planning risks for commercial partners through their master planning approach. Outside London, Homes England has also been engaged in these activities and in some cases, is supporting the regeneration projects directly through funding. This information is also being collected in 2023, alongside details of whether councils are including housing as part of their climate action plans.

Emerging trends

Variety of sites
While the 2023 survey is yet to be completed and analysed, there are some trends emerging. The first is the increased range of council land being used to support housing delivery, in addition to that held in the HRA for housing. In 2017, the research demonstrated the number of car park sites being developed by Bournemouth, Christchurch and Poole Council. Now the range of sites being used includes depots, car parks, community centres, schools, old people's homes and council offices.

Mansfield Council is relocating to a former department store in its town centre, while Hammersmith and Fulham, and Waltham Forest, among others, are redeveloping their civic campuses. In 2023, there are now also many councils demonstrating the housing they have constructed on their websites and advertising it there for rent or sale. While we do not aggregate the data on council targets for their own housing delivery, there has been an increase in the number of homes within programmes since 2017. This is despite the effects of the inflation, although some councils are reprofiling their programmes. There also appears to be some evidence that councils that are within mayoral combined authorities are gradually increasing their programmes, possibly in response to the specific programmes that some combined authority mayors have for brownfield land, or using modern methods of construction (MMC).

Demonstrating housing quality
The second part of the research is a direct survey which engages with local authority officers in a range of departments. Here we are seeking to understand the motivations of the council in engaging in housing delivery, its means and its methods. Since 2017, we have seen a change in some of these motivations. While housing need has always been the primary motivation, in 2017 there was a focus on the role of housing provision as a means of generating income in order to counteract austerity. Since then, income generation has moved further down the list and has been replaced by a motivation to demonstrate housing quality. Many councils have expressed their concerns for the poor quality of private sector new homes both within and outside the dwelling. Councils have wanted to demonstrate that it is possible to provide good quality standards and be policy compliant. In 2019, this began to extend to the provision of dwellings with higher environmental standards and this appears to be increasing in 2023.

Affordable rents
Other motivations have included the need to provide temporary accomodation for those who are homeless. As the amount of property for rent has reduced and the costs of house purchase have risen, councils have reported this as a growing concern. In the other parts of our research, we are seeing an increase in councils purchasing street properties to meet this growing need. These properties provide an asset, an income stream, reduce other costs, and can be sold fairly readily. Some councils will only purchase former right to buy properties to contribute to longer estate regeneration objectives; there are costs of managing a distributed property portfolio. Some councils are working with housing associations to undertake this management task. Other councils have established lettings agencies where they are guaranteeing rents and undertaking maintenance, both of which are important, particularly to small buy to let landlords, where there is a growing negative gap between mortgage costs and rental income.

Funding and viability
The direct survey also asks about the ways in which councils are funding their housing development and what is inhibiting their ability to provide more homes. Most councils report that capital is available from a range of sources including PWLB and institutional investors. We have also noticed an increase in local authority peer to peer lending throughout. The main inhibitors are the availability of land and viability for individual schemes, not least in the current inflationary climate. The extent of local authority land holdings varies between councils and can be the result of reorganisation or past council policies and opportunities. However, there has been a significant shift to extend the understanding of council owned land availability from garage sites and estate regeneration to a much wider range of sites in the council's ownership. Some councils have redeveloped pubs in their ownership and others are working with One Public Estate to piece together their land with that owned by other public bodies.

In 2023, it is noticeable how many councils have housing programmes of multiple small sites in their ownership. Viability of schemes remains a challenge and councils are adept at cross subsidy models and are extending the tenures they are providing, including shared ownership and market rent. Some councils are also now establishing their own housing association to access funding from Homes England. Information on these councils is being collected in 2023 desk survey Ed – see Barnet case study in this issue of ACES' Terrier].

Round table meetings

The third part of the research always includes a range of round tables across England. Some of these are held in conjunction with the RTPI, while each research round includes some specialist sessions. In 2021, this included a round table with councils that were further down the delivery line and their advice and experience for undertaking development with joint venture partners was included in the 2021 report. These round tables provide an excellent opportunity to hear about what is going well or what is inhibiting housing delivery at the local level. In 2021, for example, the round tables identified a problem with the procurement of MMC to high environmental standards – an issue that now appears to have been addressed when reviewing the number of councils reportedly doing this in 2023.

The round tables have only just started in the current phase of research and already there are a number of issues emerging. These include the ways in which the difficulty in recruiting planners is affecting the availability of Planning Performance Agreements for council housing delivery. Another issue which is emerging relates to the preparation of sites for MMC homes. A number of councils have reported that the site preparation tolerances are not accurate enough for factory-built homes, leading to delay in their installation, which, in some cases, is stretching to periods longer than it would take to build a house using traditional methods. This is no doubt a short-term problem as the industry becomes aware of these issues.

Case studies

The last part of the research comprises of approximately 10 case studies and these are selected from those nominating their authority as part of the direct survey. Over the research period since 2017, we have undertaken 30 case studies, while in 2021, over 60 councils requested inclusion in this way. When selecting case studies, we attempt to include a cross section of councils by size, location and political control. The case studies for 2023 will be selected in June.

Conclusions

In all this research so far, we have been able to glean some understanding of what assists councils in developing more homes. The research provides an opportunity for all councils to see what others are doing, and to follow up directly if there is an interest to find out about how a particular type of development was achieved [Ed – and writing a case study in ACES' Terrier, of course!]. However, there are some other points that are shared by those authorities providing more homes. The first is having a strong political lead in the council's executive, with powers to take action where needed. This might be to make a loan or make some land available to a housebuilder in return for a share of the equity, increase the quantity of affordable homes in the development, or for simple repayment.

Housing delivery teams

Increased housing delivery also appears to be accompanied by a single housing delivery team within a 'one council' approach. These councils frequently have delivery plans which indicate the timetabled delivery responsibilities for housing for all parts of the council, focussed on achieving specific housing objectives each year. In some cases, councils have gone beyond this to establish a single housing delivery team that deals with negotiating planning applications for housing, following up stalled sites, and leading the development of the council's own land. In some councils, the approach taken on each site is triaged to assess which would be the best funding route – the HRA, general fund, through a joint venture, or for supported housing.

Councils are increasing their range of delivery methods to meet these needs. These housing delivery teams can include housing and planning professionals together with legal, finance and highways officers. At the heart of the team is generally a development surveyor capability who can negotiate viability for s106 agreements for the council rather than using external consultants, while also advising on the council's own schemes. This capability may be employed directly, shared with other councils, be from a retained consultant, or from a part-time private sector retiree. Some councils are also focusing their apprenticeships on development surveyors, funded through s106 agreements. Some councils, but not all, are funding planners through their development programmes as part of the capital project.

Lastly, the period 2017-2023 has demonstrated a growing difference in the delivery of homes by councils between London and rest of England. While in London, land is more expensive and difficult to find, the effects of the Mayor of London's programmes to fund affordable housing have been significant. In terms of the HRA, more council homes are now being provided in London that the rest of the country put together. The mayor offers London boroughs the opportunity to apply for 5-year programmes for funding and this has enabled the councils to establish delivery teams.

Outside London, apart from a few city deals, councils are not offered 5-year programmes from Homes England and have to negotiate on a scheme by scheme basis. We will see how great this gap is when we complete the 2023 research later this year [Ed – that's got to be another article for ACES' Terrier!].

Tom is a Partner and Head of Birkett's Planning and Environmental Team. He advises on all aspects of planning environmental and highways law, advising local authorities, landowners and developers on the planning of commercial and residential developments, including the planning application process and supporting documents; Environmental Impact Assessment; contracts conditional on planning; s106 agreements and unilateral undertakings; planning conditions; submission of and process management of planning appeals via written representations, hearings and inquiries; s73 applications; and judicial review.

Tom also has wide experience with environmental due diligence, warranties and indemnities, contaminated land, highways matters, adoption agreements (including s38 and s278 agreements) and public rights of way. His client base includes commercial and residential developers, institutional landowners, registered social landlords, further and higher education establishments, and local authorities.

IMPOSSIBLE TO DEVELOP? Hillside Parks – the end of 'drop-in' consents?

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An ACES colleague tipped me off about this important test case concerning whether this residential development is capable of lawfully being carried out under the original 1967 full permission, where subsequent 'drop-in' permissions of parts of the site had precluded doing so. This has implications for other large developments and the flexibility of materially changing elements.

The planning system is subject to almost constant change and calls for "root and branch reform". This is challenging for landowners, developers, local planning authorities and practitioners alike. Usually such changes arises out of government altering policy and guidance. Sometimes it is changes to the law (as is the case at the moment with the Levelling Up and Regeneration Bill currently making its way through Parliament). The law also changes through the Courts, usually clarification of existing law, or applying existing law to particular facts of a case.

In the case of Hillside Parks (Hillside Parks Ltd v Snowdonia National Authority [2022] UKSC 30) we have a situation where clarification of the law is causing real difficulties in the industry and some extreme unintended consequences could arise out of a factual matrix unlike most circumstances where it could (or should) be applied in practice.

Hillside background

In November 2022, the Supreme Court issued its long-awaited judgement on the Hillside Parks case. When I say "long-awaited", this case has been on-going since 2017, with a High Court Judgement in 2019, Court of Appeal judgement in 2020, and now the Supreme Court has ruled definitively upon it. But the site itself, and the issues of it, has been around since the late 1960s.

The site (known as Balkan Hill) is a 29-acre site in what is now the Snowdonia National Park which first achieved planning permission (full) in 1967 for 401 dwellings, in accordance with a detailed 'masterplan'. Since then, not only has the site changed hands a number of times (including to Hillside Parks Limited hence the name of the case) but the planning authority has changed over time as well.

The site has been incredibly slow to build out, only 41 to date, and only 19 had been built back in 1988. The Supreme Court described this as "Glacial". Key to the case is that much of the work carried out on site has been not in accordance with the planning permission, or has been built according to a plethora of further consents issued over parts of the site over the years. Unfortunately, the status of those consents in some cases is inconclusive at best. Some purported to 'variations', some did not. Ultimately, when work was required to be resumed under the original 1967 permission, the planning authority took the view it was not possible to do so. Indeed, some development was totally outwith the original permission, such that dwellings had been built where the estate roads were supposed to go and some had no discernible consent at all.

What the Supreme Court said

The question for the Court was whether the development is capable of being lawfully carried out under the 1967 permission. The answer, was no.

The Court dealt with a number of different arguments put forward by the appellant, the detail of which I will leave out of this summary, but dismissed them all. The Court re-affirmed the judgement, given in the Pilkington case (Pilkington v Secretary of State for the Environment [1973] 1 WLR 1527) that planning permission does not authorise development if and when as a result of physical alteration of the land to which the permission relates, it becomes physically impossible to carry out the development for which the permission was granted.

The Court stated: *'Where the test of physical impossibility is met, the reason why further development carried out in reliance on the permission is unlawful is simply that the development is not authorised by the terms of the permission, with the result that it does not comply with section 57(1).'*

But the Courts went on to state the this "Pilkington Principle" must not be pressed too far. Exact compliance would be too rigid. Departure from the permission will only have the effect of making the underlying consent unlawful only if it is material to the scheme as a whole. What is a "material departure" is a matter of fact and degree in each case.

It is worth pointing out that "mere incompatibility" of consents does not create "Hillside issues". Indeed, one can still apply for drop-in consents, and planning authorities can still approve them. There will be circumstances where such consents have different conditions, or differing s106 packages. It is only when the drop-in consent is implemented that the issues arise, and then only if there is a material departure in that scheme as a whole from the original permission.

The judgement considers whether the original permission authorises a number of independent acts, each of which can be built out independently, or whether that permission must be construed as a consent for a single scheme which cannot be disaggregated in that way. In the Hillside case, it was held that the original permission could not be viewed as a series of independent acts of development. However, the judgement does introduce the concept of "severability". While this did not help in the Hillside case itself, it does mean that where one can show that a scheme is designed to be severable, then Hillside might not apply to it.

So what does this mean in practice?

Given how long Hillside and Pilkington have been around for, this is not exactly new law. But it confirms and expands on the cases to date and given it is a Supreme Court case, is as definitive as it is likely to get.

The cases of Hillside, and Pilkington are very fact-specific. They are both old permissions, which were in full rather than outline, and not phased. Indeed Pilkington was essentially concerning conflict between two bungalows on the same site. Distinguishing a future on this basis is certainly a possibility, particularly on larger, phased, outline permissions. The judges in Hillside were keen to make it clear their reasoning does apply to multi-unit development, but did not go as far as to consider development in phases as an outline scheme.

Drop-in permissions still remain a very useful tool. This is particularly true on large complex development sites where, for a variety of good reasons, a drop-in consent is a far more preferable (sometimes the only possible) way of introducing a new element to a scheme, moving elements around or updating a scheme to fit with a more modern policy environment.

Departure must be material, and that is a matter of fact and degree. On a very large strategic scheme, conflict between a drop-in and the original outline might be considered to have quite a large extent of immateriality to it. This has yet to be tested and the implications for Environmental Impact Assessment must also not be overlooked.

Permissions must be scrutinised carefully to look for evidence of "severability". We do not have any steer as to what this is in practice, as the Hillside judgement is not helpful in that regard, but clear intention might be specific conditions or plans showing areas of flexibility in the overall scheme. New schemes should be planned carefully where an element of drop-in is likely in the future. It would seem that specific reference to 'severability' within the consent might allow for this to occur.

Finally, it is still possible of course to vary a permission to allow for changes to be made, or indeed to allow for the drop-in consent to be implemented. That can be achieved via s96A for non-material amendments, or using s73 for material changes. It is of course true that for some schemes, making a s73 application covering the whole site will be an expensive, time-consuming and uncertain process or may not be practical at all. There are policy change, CIL and multi-landownership change implications which everyone should be mindful of.

Many in the industry are calling for the government to make a change to the law to clarify under what circumstances Hillside might not be applicable. Case law coming through on this might be some years ahead, and given we currently have the Levelling Up and Regeneration Bill in progress, now would be an ideal time to do it.

For the time being, the advice is to consider carefully whether a strategy of using a drop-in is a good one, and consider whether the effect of a drop-in is to create a material departure from the original permission such that it is physically impossible to carry out or complete the original scheme. Schemes should be planned with the various options for the future in mind, and attention paid to the risk of potential enforcement action due to a drop-in scheme having been implemented elsewhere on the site. The ramifications of that could be severe, but with careful planning or retrospective fixing of schemes through s96A/s73, or even a series of drop-ins each creating new development parcels, the use of drop-in permissions is here to stay. One must just be cautious of the law we all understand – that of the unintended consequence.

Mandy is an Associate Director in Boyer's Wokingham Office. She is a chartered town planner and joined Boyer in 2015. She works on a mixture of projects, ranging from new homes to the promotion of larger strategic sites, and is experienced in project managing applications, preparing appeal documents, negotiating with local planning authorities, and representing clients at Examinations in Public. Mandy has over 10 years' experience in both the public and private sector and while employed at a local authority, she worked in both enforcement and development management.

15-MINUTE CITY
Post Covid, what is the role of the 15-minute city?

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The 15-minute city was widely discussed at ACES' 2022 National Conference. Here, Mandy draws our attention to the concept and its adoption in Europe as well as in the UK, sometimes not without controversy.

Three years ago, the advent of lockdowns in response to the global Covid pandemic led to the unpredicted and unprecedented need for communities to adapt to become more 'resilient' in the way that people accessed services and spaces. In the age of globalisation, communities swiftly had to become more self-sufficient and, compounded by the working from home revolution, the independence of 'local' and indeed 'hyper-local' communities took on greater importance. It is in this context that the relatively recent concept of the '15-minute city' rose to the fore.

Despite a return recently to more familiar living and working patterns, the principles of the 15-minute city concept, which prioritises accessibility to daily services and amenities via sustainable transport modes, have become central features of much urban planning guidance in England. Several emerging local plans have taken the concept forward and county councils across the South East have embedded the '20-minute neighbourhood' concept into their guidance.

In its most basic form, the 15-minute city concept seeks to deliver communities wherein daily services and amenities, such as employment, shopping, education, healthcare, and leisure, can be easily reached by a 15-minute walk or bike ride from any point in the city.

With this in mind, the concept has also been closely linked to attempts to reduce the carbon footprint of travel within cities and therefore a key response to limiting climate change.

So, do these principles remain relevant as guiding principles for urban development today?

What is a 15-minute city?

Developing the concept in 2016, four years before Covid lockdowns, Professor Carlos Moreno of the Paris-Sorbonne University and his supporters proposed the '15-minute city' as a panacea to address the multiple problems of congestion, poor mental health, high emissions, and a failing sense of community, which blighted contemporary urban living in modern cities.

In essence, the concept introduces the idea of 'living locally', with new communities located within a 15-minute walk or cycle ride of the collection of amenities that people need to live, work and play. In its most essential form, the '15-minute city' seems to be a relatively harmless concept according to most planning professionals. Recent YouGov polling confirms that 62% of the British public is in favour too. After all, who wouldn't want easy access to services and clean air?

Given its apparent popularity, the concept is flourishing globally. In Paris, Mayor Anne Hidalgo's *'ville du quart d'heure'* has seen roads closed to vehicles to prioritise pedestrians, investment in public transport, improvements to bike lanes, and bike sharing programmes, in an effort to create self-sufficient communities within the arrondissements of the city. In Barcelona, the 'superblock' has taken off, while in Copenhagen, the neighbourhood of Nordhavnen is taking the idea further and is aspiring to become a '5-minute neighbourhood'.

There are several further examples of the concept being taken forward in the UK: Winchester City Council's recent 'Strategic Priorities and Issues' consultation has highlighted the importance of the 15-minute city concept in improving sustainability and as part of a solution to the climate emergency. Similarly, Ipswich planned to become the first '15-minute town' as part of a post-Covid revitalisation of the town centre.

Bristol, Sheffield and Canterbury are considering implementing 15-minute city schemes. Both Hampshire and Surrey County Councils have also adopted guidance which relates to a '20-minute neighbourhood' and the Town and Country Planning Association has published detailed guidance on doing so.

However, critics of the concept have recently started to voice their concerns, with one Conservative MP recently demanding a parliamentary debate on what was described as the 'international socialist concept', on the basis that the implementation of the concept would 'cost our personal freedom'.

So how did we end up with protests on the streets?

Within the planning and development industry, some critics argue that the '15-minute city' can be suffocating and actually increase social issues, such as isolation. However, consideration of these measured critiques has been distracted by misinformed arguments that the 15-minute city concept will result in local authorities using pandemic-style lockdowns to restrict people's movement as an attempt to stop climate change.

When councillors in Oxford City proposed the installation of six traffic filters as part of an initiative to encourage active travel, they were criticised as being 'power mad' and 'communist', leading to thousands of people protesting on the streets. Protests arose from the mistaken link that some groups made between the traffic filtering proposal and the council's separate 15-minute city plan, and the false claim that residents were set to be confined to a 15-minute radius of their homes under surveillance.

In reality, there is no proposed lockdown. Oxford City Council simply proposed to install traffic filters as part of a health-promoting plan to encourage active travel and cleaner air in the city. The council's website states that it seeks to reduce congestion in the city centre by targeting 'unnecessary journeys by cars', by placing time restrictions on six roads in the city. Without a permit, cars would not be able to drive through the traffic filters while they are in operation and number plate recognition cameras would monitor and enforce the restrictions.

It would have been interesting to understand reactions to the proposed 15-minute city concept in Oxford City Council's emerging local plan if the traffic filter proposals were not proposed at the same time. Would there have been such strong feelings if it was not assumed that there would be limitations on car movement? After all, there have not been similar protests in response to the concept in other cities proposing to take forward the concept.

Interestingly, there are recent reports of concern in relation to a similar scheme within Reading (Article: https://www.readingchronicle.co.uk/news/23402846.fears-raised-creation-15-minute-city-reading/), where some residents have conflated the council's efforts to reduce traffic with the 15-minute city concept, despite the implementation of one-way systems in Reading having pre-dated the concept by a number of years, and the council having no formal commitment to the concept in any planning guidance.

It remains to be seen how the protests in Oxford will impact on the adoption of the concept elsewhere in the UK. Currently many local authorities are actively putting it into action, and other than in Oxford, significant dissatisfaction has not occurred.

So what next for the 15-minute city concept?

Although the '15-minute city' concept is relatively new, it shares an intellectual history with several similar urban planning concepts that have informed development in England over the centuries. For example, the concept is not a far cry from Ebenezer Howard's 'Garden Cities' concept first published in 1898. For a more romantic view, attempt to visualise the quintessential English village, with its collection of homes surrounding a local centre in which a butcher, a baker, and a post office provided the community with their everyday services.

Despite the concept's theoretical pedigree, it remains challenging to implement in the contemporary context. For obvious reasons, there are difficulties in retrospectively changing an established order within a settlement, to transform it into a truly 15-minute city. Existing services and amenities are in established locations, accessed by established roads and pathways with limited opportunity to provide improvements.

While there may be opportunities to repurpose existing uses to improve access to other services and amenities, such as the conversion of a school in Lagos Nigeria to a food market during Covid, it is likely that the availability of urban brownfield sites will continue to be limited.

Implementing the '15-minute city' or even the '20-minute neighbourhood' concept through emerging local plans across England will undoubtedly have a number of implications on future site selection. At the outset, the 15-minute city concept highlights the importance on the location of a site. If there are no existing services (whether retail, employment, health care, education, or leisure) within 15 minutes' walk or cycle, then either the site will not be viewed as sustainable, or it will be expected that the site can provide all those services/facilities which cannot be reached by walking or cycling.

Despite its shared history with the development of English villages, the concept may therefore become the death knell for their small scale, sustainable development if implemented in this way. Either a site would be considered unsustainable given its lack of proximity to existing services, or it would be required to deliver such services and amenities as to make its delivery unviable.

While implementation remains fraught with challenges in existing communities, bringing forward new settlements and urban extensions on this basis, matched with good urban planning to improve public transport and support local businesses, is likely to see considerable success. Increasingly, new communities are required to encourage active travel, as is illustrated by the announcement that from June, Active Travel England will become a statutory consultee on all developments of over 150 residential units.

To ensure the longer-term success of the urban planning concept in practice, several key questions need to be resolved. How do you ensure new developments interact with existing nearby neighbourhoods if all services and facilities are within a 15-minute walk/cycle? How do you ensure some level of development occurs within rural areas which are not able to access services/facilities within the required 15 minutes? How can you effectively bring forward a 15-minute city, or indeed a 20-minute neighbourhood, in an existing settlement which lacks the requisite access to services?

Certainly, the progress of emerging local plans which incorporate these principles will be interesting to watch. There seems to be a very clear lesson learnt from the case in Oxford, regarding the ease with which the concept can be misunderstood, which must be addressed if it is to succeed.

Ananya leads the Design service at Boyer and looks after the masterplanning portfolio of strategic and major sites. Her experience spans over 17 years of designing and delivering high-profile sites for private developers across the UK. Trained as an architect and urban designer, with a specialism in architectural history, Ananya also has extensive experience of working with listed buildings and designing residential led schemes around them and in sensitive context.

COMMUNITY HUBS
Third space revolution in community planning

Ananya Banerjee – AnanyaBanerjee@boyerplanning.co.uk

Following on from the 15-minute city, in this upbeat article, Ananya believes "the aspiration to 'create a sustainable initiative that will make your community a better place to live' is an enduring value rather than a knee-jerk reaction to Covid". She illustrates this with some examples.

The traditional housing estate – the standard product of most developers' output for the past half century – is nearly over. Development has evolved from being solely residential, to a more integrated product, more community orientated and more befitting of local areas' specific needs.

Although the trend towards genuinely sustainable communities has been emerging for some time, it was undoubtedly hastened by the pandemic as 'community' took on a new meaning and the ban on unnecessary travel created a need for easy access to daily facilities. This was further exacerbated by flexible working and spending more time at home. Therein lies the emergence of the 15-minute neighbourhood [Ed – see article in this issue of ACES' Terrier]. But there's more to it than being within easy walking distance of a shop - although, as Department of Transport research shows, this alone has substantial potential to make developments safer, cleaner and more sustainable.

The next step – one which my clients are already embracing enthusiastically – is the inclusion of a hub or community incubator space on a new scheme. With the potential to provide a community service, a workplace, energy efficiency and much more, all under one-roof, this innovation is driving genuinely sustainable communities today and is being positively received by local authorities. Even in our local communities and town centres, this model is picking up pace in all forms, providing a multi-functional community hub which has the potential to house workspace for SMEs and start-ups, nano breweries, bike hire facilities, rapid electric charging points, and much more.

A key player in this market is the Plunkett Foundation which is showing how community facilities can be maintained and managed. Plunkett has been inspiring and empowering rural communities for over a century, demonstrating that the aspiration to 'create a sustainable initiative that will make your community a better place to live' is an enduring value rather than a knee-jerk reaction to Covid. Specifically, Plunkett has spent the last decade developing and delivering major programmes which provide business support to help start-ups and runs a range of community businesses. Another initiative is the creation of the Community Business Team, which aimed to provide a one-stop shop for all forms of community business at all stages of their journey. Similar case studies could also include Cassia and Incuhive. With hubs across the country, they are leading the way in offering everything under one-roof and create connected spaces to work, socialise and be healthy.

As masterplanners, this is having a direct impact in relation to how we think, plan and make our future communities resilient. In one of our projects, we have been fortunate to collaborate with SNRG at the early stages. A by-product of British Gas owner Centrica, SNRG is leading the way with the emerging concept of Energy Mobility and Community) Hubs with sustainable energy generation and use, low carbon travel and community cohesion at their core. We are increasingly looking at new sites which will prioritise the 15-minute neighbourhood model, and are exploring possibilities for a community incubator space integrated within the landscape-led design principles. For larger communities, we are ensuring that each hub is placed within a 10-minute walking distance to all homes, therefore creating a community of neighbourhoods each with its own distinct identity, while being integrated as part of a bigger whole. This physically ushers in the third space revolution with new masterplans.

With participation from enlightened landowners, community spirited masterplanners, developers and local investors, this 'third space revolution' has considerable potential to create genuinely sustainable environments, which will prove crucial to community ownership and a holistic environmental and social governance (ESG) model for new settlements. The value to our clients extends from meeting ESG requirements, to regenerating the wider area, creating financial value and stewardship in the community and creating sustainable and genuinely happy places to live, work and visit.

COMMUNITY PARTNERSHIP, OLDHAM
Keeping fit - a food insecurity transformation

Tom Carman tom@sharedassets.org.uk and
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Tom outlines a viable case study in Oldham based on community enterprise and leading, to support a local network of food suppliers. Oldham Council was a key player, including providing a vast area of land. "The partnership, goodwill and strength of relation between local authority and citizen groups here is great to see, particularly in a community where food poverty has affected so many."

Food insecurity

The last decade has seen the numbers of people accessing food bank services increase dramatically. The Trussell Trust (one of the largest food bank operators in the UK) alone shows that the number of food banks operating in the UK has more than doubled since 2014/15 (1).

While the provision of emergency food through food banks and mutual aid sites is vital in stopping people from going hungry, it is often regarded as a sticking plaster approach to a problem with a better, and longer-term solution.

And there is an argument that the 'popularity' of foodbanks can be put down to more visibility of their use, as more and more communities and families overcome their anxiety of showing that they are in need, and start to demand a food bank locally to resolve their hunger needs. Put more simply, when a community experiencing food insecurity sees a food bank working elsewhere, they start to demand one for themselves.

There's nothing wrong with this, but there are other approaches and other systems that can support communities to become more food secure. In particular is the use of enterprise in communities that can not only supply food that communities demand, but also nurture a supportive network of food suppliers that can respond to emergency need.

A pioneering project taking place across Oldham has been doing that for the last year, supporting community led social enterprises to grow and supply food more commercially, through a business incubator model tailored to local needs with associated grants for a new fellowship of emerging food enterprises. The Community Fed Oldham (2) and Food Security Challenge (3) projects have been helping the food ecosystem in Oldham to start transitioning from emergency provision to a more sustainable – and community-led - food-system.

Community Fed

The capacity building work in Oldham has been high impact with marginal investment; it included a programme of co-production sessions to determine local needs, training for representatives of food community enterprises, peer learning opportunities, site visits, one-to-one coaching and grants totalling £52,000 distributed to six food enterprises.

"The whole process from start to finish has been a valuable resource beyond any expectations, from looking at all the opportunities, networking, and supporting

Tom co-ordinates advice, consultancy and support at Shared Assets - a Think-and-Do-Tank that supports the development of new models of land management for the common good. Shared Assets believes that with land we can create opportunities for people to address a wide range of social, environmental and economic issues. Tom has a background in supporting community ventures, private businesses and public bodies to grow and improve their work on land, particularly within new food and farming systems.

Nicola is a Project Manager helping build local capacity to transform food systems. She has 10+ years of community food growing and urban farming experience in Greater Manchester. Previously, Nicola co-authored a book for Rethinking Economics about the need to diversify, decolonise, and democratise the teaching and practice of economics. Her recent studies addressed sustainable and socially just food systems, and built on her PhD political economy research in Mexico and the US that critiqued the use of crop biotechnology.

Food Security Challenge event

us to understand our own needs in developing the project." Karen Flowers and Alan Price, Lees Park Eco Hub (4) Community Fed Oldham and Food Security Challenge participants.

What has been particularly encouraging to see has been the growth in confidence of those taking part in the work across several areas. Participants have improved their business skills and their business outlooks from the business training workshops. They have become more confident in articulating what they are doing, thanks to coaching and mentoring on how to pitch their work associated with the grants they received. And they have grown cultural and social capital, demonstrated through a strong desire to continue networking and working with their food sector peers in the long term.

Public health estates at Oldham Council

What's been particularly encouraging is that this project has seen some excellent working across several teams in Oldham Metropolitan Borough Council, including the public health team, policy team, community team, commercial team and estates team.

The work was commissioned by the progressive and forward thinking public health team at Oldham, which at the time was also actively responding to high demands for use of food banks from citizens and residents in Oldham. Using officers' knowledge of on-the-ground work, the public health team has been hosting a quarterly forum linked to Oldham Food Strategy (5)- the Oldham Food Partnership includes representatives across Oldham council teams, as well as the community and commercial sectors.

An important part of the strategy in Oldham has been the transfer of land from Oldham council estate assets into community use. Northern Roots (6) in Oldham is the new steward for 160 acres of land that will be transformed into a destination green space for learning, leisure, and growing to benefit the environment, and improve health, wellbeing and livelihoods.

The business model for Northern Roots is still under development, (7) but the land access agreements are set through a long term lease to the charity. This lease will be seen as an asset for the community, but can also give legal assurances on future use. Most company forms in the UK can 'dispose' of their assets however they wish, but in the case of Charities, Community Benefit Societies and Community Interest Companies, they are subject to a statutory asset lock (8), this means that those assets must always be used for the purpose they are set out, even if those assets are transferred elsewhere. In Northern Roos case, this has been set out clearly in its Charitable Objects (6) and commits the 160 acres of land to public benefit for the remainder of the lease, giving the estates team assurances that this asset will be stewarded for the benefit of people in Oldham for the foreseeable future.

A fellowship

As the first stage of work comes to an end, it's important to share key learning, so that pilots like this can be taken forward elsewhere. Takeaways include:

- There's a clear link between engagement in capacity building measures (the workshops) and quality of pitches and business plan, and therefore grant received
- Having a tangible use for the capacity building work so soon after it finished meant that learning could be applied and embedded by participants
- There is a clear link between engagement in capacity building measures and understanding of food security and system food issues from participants


Food Awards - Nicola Scott, Dave Hanlon and Lina Valencia-Shaw

Food Awards

- Engagement with the capacity building meant participants heard a wider set of needs and built solutions to those needs into their enterprise models - helping to move away from emergency food provision.

There is a clear need for more work, including access to more land, inviting grant and investment finance into the space, but also more networking opportunities - a need particularly expressed by Food Security Challenge participants.

"We are keen to be part of an informal alliance of Challenge Fund Winners and also mentor groups or people who may be new to this work. Thanks also to Nicola and Tom and other members of Stir to Action and Shared Assets teams for their valuable support during the Challenge Fund process." David Hanlon and Lina Valencia-Shaw, Wildbrook Community Food and Grow Hub, Community Fed Oldham and Food Security Challenge participants.

The partnership, goodwill and strength of relation between local authority and citizen groups here is great to see, particularly in a community where food poverty has affected so many. What is also heartening is the trust - the trust that huge areas of land could be stewarded responsibly by those who will benefit from it… if you have a spare 160 acres (or more) that could be looked after by local citizens, what might you do to prepare it for more community control?

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VALUATION OF WOODLANDS
Woodlands: An undervalued asset?

John A. Lockhart FRICS FBIAC CEnv john.lockhart@nicholsongb.com

RICS recently updated its Valuation of Woodlands and Forests Standards. As a member of the expert working group, John kindly agreed to write this article "to provide some guidance on the factors that we as property managers and valuers need to be aware of as we approach the management and valuation of this complex asset class going forward."

Woodlands are often misunderstood which can result in them being an undervalued asset class. The Environment Bill enshrines additional protection for trees and woodlands, with ancient woodland and veteran trees acknowledged as irreplaceable habitats. Woodlands are also some of the most highly valued habitats for biodiversity within the Defra Metric 4.0 (1).

The government is focused on woodlands as a critical component of the strategy to combat climate change and meet our 2050 net zero obligations. It has committed to spend more than £500m of the £640m Nature for Climate Fund (2) by 2025, to achieve its target of planting 30,000 ha p.a. across the UK by 2025. At a recent Forestry Commission parliamentary reception, Trudy Harrison MP, Forestry Minister, and Forestry Commission Chairman, Sir William Worsley, pledged their focus on making this happen as a matter of urgency.

Woodlands are increasingly attracting interest in the marketplace, both due to the rising demand for forest products, as well as the non-timber benefits, such as carbon sequestration, flood alleviation and other ecosystem services, with all these factors potentially impacting values. Within this context, the values attributable to both existing woodland and bare land that might be suitable for planting, come into the spotlight.

This brief article aims to provide some guidance on the factors that we as property managers and valuers need to be aware of as we approach the management and valuation of this complex asset class going forward.

Woodlands have recently been the focus of a RICS expert working group which has assisted the primary author and helped guide the drafting of the updated professional standard for the Valuation of Woodlands and Forests 2nd edition. Published in March 2023, this has an effective date of 1 June 2023 (3).

As with many asset classes, woodlands and forests are a niche sector within the valuation profession and it is always critical to ensure that advice is sought from experienced and competent valuers with demonstratable experience in the valuation of such assets. This is particularly pertinent in the current market, in light of the huge range of values we are now seeing reflected in both the amenity and commercial marketplace for woodlands and forests that to many may appear to be broadly similar.

John is Principal Consultant, Nicholsons. He has over 30yrs experience as a rural chartered surveyor, specialising in forestry and environmental planning. He has been a fellow of the British Institute of Agricultural Consultants since 2014 and has served as Chairman of the RICS Rural Professional Board.

John has participated in numerous government-led forums on forestry, tree health, carbon and biodiversity net gain and has presented on business opportunities around woodland creation, natural capital and green infrastructure. He currently leads on green infrastructure and environmental net gain on a number of large-scale development projects. Over the last year, John has led the consultancy team supporting Defra on its Nature for Climate Fund project, focused on returning vacant and derelict land into beneficial, productive woodland, with greater environmental and social benefits.

In 2020, John was appointed as Non-Exec Director to the Forest Services Board and sits on the Conservation Committee of the Queen's Green Canopy. He was on the Expert Working Group that helped advise/develop the RICS Valuation of Woodland and Forests Standards 2nd edition.


Diverse structure mixed woodland

Factors influencing the value of woodlands

There is a wide range of factors that can either singly or in combination influence the value of woodlands. The relative importance of these factors will depend on the type/category of woodland and the purpose of the valuation.

Physical factors

As for any land asset class, physical factors will be key. How large is the site? What are the ground conditions e.g., soil, drainage, terrain etc? Internal access infrastructure and access to the wider public highway network will be important, especially for woodlands with commercial timber crops and harvesting requirements. In addition, ecological features, and opportunities for the possible delivery of ecosystem services are also becoming more important as we see markets starting to emerge in these areas. The presence or absence of existing public access rights or use, and existing features such as buildings and ponds, will also have an influence on the potential for recreational activities or demand for the woodland.

Tree crop

Often, and particularly in the amenity space, the actual tree crop is seen as being secondary; however, subtle differences to both crop type and historic management can have a huge impact. Within larger more commercial woodland, species type is important as this affects the yield class and rotation length, as well as the likely timber markets. The diversity of species and the age class also influences the resilience of the woodland, as well as the non-timber benefits that it can offer.

Tree health has also increased in importance. There are a range of diseases and pests that pose significant threats to some tree species and forest sites, affecting not only the productivity, but also the biodiversity and amenity value of the woodland. In extreme cases, disease may necessitate the entire clearance and on-site or off-site disposal of the affected timber. Understanding the risks and liabilities will be fundamental when considering any valuation.

Legal and regulatory factors, and other obligations

Woodlands are possibly one of the most highly regulated rural asset classes, with all activities controlled through the Forestry Act and UK Forestry Standard (4). Tree protection has always been seen as important, but recent provisions within the Environment Act have seen increased levels of protection, especially for ancient woodland and veteran trees, and from the end of last year we saw hugely increased penalties for illegal felling (5).

In support of any valuation exercise, it will be important to have a comprehensive understanding of all the current legal protections. Consideration will also need to be given to rights of access, both authorised and illegal, sporting rights and provisions. Woodlands are often subject to environmental designations, in particular ancient woodland status, which may have impacts on value both positive and negative. A comprehensive understanding of these factors and their potential importance will be essential.

Forestry policy, support measures and fiscal incentives

As noted above, the increased focus on forestry has seen a huge upsurge in policy initiatives and structures for grant support for both new woodland creation and management of existing woodlands. Many of the grant funding contracts will have maintenance obligations that will have an impact on values and demand, and will need to be well understood. Taxation policy is also important in relation to woodland values. Historically and currently, woodland owners receive benefits from a range of tax concessions, including capital gains tax and inheritance tax. The availability of these tax concessions is closely linked to the objectives and management, with separate treatment for commercial and amenity woodlands, and will affect the supply and demand for woodlands and value.

Market factors

As with any property asset, there are a range of market factors that influence the woodland market. These include supply and demand, interest rates and the availability and cost of finance, the state of the economy and the performance of other investments, planning and fiscal policies and societal trends and fashions.

Woodland is almost unique in the range of motivations and drivers for ownership. The focus on Environmental Social Governance (ESG) and ecosystem services, for example carbon sequestration which woodlands can provide, further complicates the position.

Valuation approaches

It is not within the scope of this article to outline the specific valuation approaches that might need to be considered, but as noted above, it will be critical to undertake a comprehensive evaluation of the property and the considerable range of issues highlighted.

Each different type of woodland could be valued on different bases, including market value, fair value, market rent, investment value or worth, equitable value, synergistic value, and liquidation value. Valuations will be required for different purposes, but typically include those for fund or financial accounting; sales and acquisitions; pre-purchase advice; loan security; winding-up procedures; taxation, including inheritance and capital gains taxes; divorce; business arrangements; financial reporting; dispute resolution; disposal under the Charities Act 2011 (6); and expert witness work.

It will be down to the valuer as to the most appropriate method, whether comparable transaction, income expectation, or replacement cost methodologies. The details and appropriate application of these methods is well documented within the new RICS standard, the Valuation of Woodlands and Forests 2nd edition.

Other factors to be considered:

Land values

The taxation position of woodland often requires values to be considered separately for the bare land and standing timber crop. The detailed requirements around this are complex where a timber crop has been felled and not replanted. The "prairie value" of the resultant asset will need to account for the obligations to replant and maintain, and will require careful consideration.

As noted above, we are also seeing an increasing demand for bare land that would be suitable for woodland establishment. In these cases, an understanding of the land's suitability for planting, grant and ecosystem services that the land could deliver will be key. In light of planting targets, policy is shifting quickly, and a comprehensive understanding of the existing emerging policy and markets will also be required.

Ecosystem services

Within the ecosystem services areas, both existing woodland and proposed woodland can deliver a vast range of non-timber benefits. These might include biodiversity and conservation, landscape, leisure and recreation, health benefits, soil and erosion control, flood alleviation, water and air quality and climate change mitigation, in particular carbon sequestration. All these possible opportunities and emerging markets will need to be carefully evaluated within the valuation process.

Summary

Woodlands are often a poorly understood and undervalued element of many property portfolios. The recent political and investment sector focus on carbon, biodiversity and ESG have meant that we must look at this asset class through a different lens.

The recently launched RICS Professional Standard empowers professionals to ensure that they are cognisant of all relevant factors that potentially impact the value of woodlands and forests and provides an overview of the bases of value that may be utilised.

The complexities associated with this asset class will require specialist expertise to interpret appropriately sourced data in the context of the land use and market.

Reappraisal of this asset class may highlight new options and opportunities that will greatly assist with the current climate emergency and the wider challenge of net zero by 2050.

Possibly this is the opportunity for our woodlands to have their time in the sun.

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Mixed broadleaf plantation

Chris has over 39 years' experience in the parks industry and is currently South Derbyshire District Council's Parks and Green Spaces Manager, where he is responsible for a range of green spaces, from local parks to large areas of the National Forest which includes 154 acres of forest and the Rosliston Forestry Centre.

Chris started his career as an apprentice gardener for Leicester City Council and became a team Leader, before moving onto Hinckley & Bosworth Borough Council as Parks and Cemeteries Officer. Chris gained a post graduate degree in management studies from De-Montfort University. In 2002 he moved to Rugby Borough Council where he was manager for 19 years. In January 2022 he became South Derbyshire District Council's first Parks and Green Spaces Manager. He was a member of the West Midlands Parks forum for over 25 years where he served as vice chair and since 2019 has been a volunteer ambassador for the new Midlands Parks Forum.

Being passionate about parks and green spaces for as long as he can remember, he became a Green Flag Award judge from the very start of the awards and over the past 27 years' volunteering, has had the opportunity to judge hundreds of parks, both around the UK and beyond. He has undertaken a number of international judging tours including Spain, the Middle East, Mexico and America. He was awarded an MBE in the Queens 90th Birthday honours in 2016.

In 2017 Chris was appointed to the UK Governments Parks Action Group as the parks industry representative and was invited to be a Fellow of The Landscape Institute in 2019. Chris is also one of the founder members of the Parks Management Association.

PARKS IN CRISIS

Chris Worman MBE FLI chris.worman@southderbyshire.gov.uk

Chris last wrote in 2021 Spring Terrier about the state of the nation's parks, which "in reality are an essential part of all of communities so should be treated as such." Shamefully, Chris here illustrates that despite government announcements, "this is just fog to divert attention from the continuing crisis in our parks and green spaces." Chris emphasises that the government is not listening. "My frustrated conclusion is that there is still no national vision. Our choices are still stark, and I will continue to fight until our parks get the true recognition they deserve."

On the surface you would think that the value of parks and green spaces is finally being recognised by government with a new green infrastructure standard, a push for green prescriptions, and the desire for everyone to live within 15 minutes from a blue or green space. However, scrape away the surface and it doesn't take long to uncover the gaping hole that these announcements do nothing to support. You could even go as far as saying this is just fog to divert attention from the continuing crisis in our parks and green spaces.

During the pandemic, everyone recognised the value of parks to all our communities which, green spaces being the only public space to remain open, saw an unprecedented increase in use. With the nation now facing a cost-of-living crisis, our communities' need for local quality green spaces remains very high.

Despite this our parks continue to be ignored by central government and the spiral of decline continues. Anyone that reads the newspapers will see similarities with many other sectors, with lack of staff, and those that remain exhausted and on their knees, lack of skills, lack of investment, ignored by our leaders and the feeling we are just managing decline in a race to reach the bottom.

The state of our sector

At the last Parks and Green Spaces All Party Parliamentary Group, a letter was read out from a beleaguered parks manager which sums this up quite dramatically:

"Parks staff are broken, disheartened and aging - people have forgotten we've been in serious measures for over a decade, and compounded with 2 years of Covid, public expectations of green spaces, what they should be like and what service we can provide with the resources we have, …. We are on our knees.

Complaints are on the increase, anti-social behaviour (ASB) – the kids have gone feral and we are suffering vandalism, weekly on sites all over the borough – 2 play areas have had to be removed/ decommissioned this summer due to ASB… Safer Neighbourhood policing reduced, reduced youth services - no engagement…. Arson and vandalism increased, and taking a toll on the revenue budget.

Friends and volunteers are struggling to keep going, aging, frustrated, disheartened by the ASB, and reduced support from us… The current recession and what happens over the next few years as we are asked to tighten our belts even further. 35yrs in and I've never seen it this bad….

We need to support the volunteers we have as best we can, we can't afford to lose them, during Covid we did have an increase in volunteer litter pickers , which was a god-send with the increased footfall… We have reduced grass cutting frequencies over the last 5years….now branded as rewilding…. More areas to come under the new banner next year.

The only seasonal bedding we now have is around the town hall – the rest was taken out of schedules in 2013. Any seasonal planting in our district parks is arranged by

Broken, boarded up and derelict facilities

the Friends groups from funds they have raised, but its minimal.

There is no capital for development, this has been like this for decades… (revenue is laughable); all development/new facilities are funded via external grants/106/whatever the 3 of us can get our hands on….but we are on our knees answering complaints and firefighting.

No different to everywhere else I expect".

This assessment is a sad but damming indictment of the state of our sector.

The effects of austerity are also now being felt on the ground, with a recent survey for "make space for girls" that identified that these cuts have led to girls and women being disproportionally disadvantaged, with girls and women no longer feeling safe in our parks. So, some 100 years after women won the right to vote, they no longer feel safe in public parks. As a nation we should be ashamed.

What on earth are we doing? Is this the future we want for our children and grandchildren?

It doesn't have to be this way and as a nation we do have choices. For example we can agree to spend 100s of billions of pounds destroying our countryside on a white elephant of a railway line that no-one will ever use, or we could invest just a fraction of this cost in our nation's parks for the next 100 years. It appears a criminal dereliction of duty and waste of public money.

I do worry that our leaders are suffering from the emperor's new clothes syndrome.

HS2 or parks and green space infrastructure?

With the constant lack of action, a group of parks professionals from across the UK came together during the pandemic to form the Parks Management Association, to provide a united voice and support for those people who manage and maintain our nation's parks and lobby and advocate the benefits of parks. We have offered

Damaged and derelict equipment

to assist government in its levelling up agenda and give practical examples of both challenges and solutions to the problems we face. Yet, to date we have been ignored and they continue to choose to talk to organisations that don't even manage public parks.

Parks are a great leveller and should be above politics, but for some reason we get caught up in arguments between local and central government, and despite all the recognised benefits for supporting sustainable communities, helping with climate change mitigation, and supporting biodiversity, we are side-lined for funding at every opportunity.

Huge sums of money have been allocated to support other sectors, but only £9m allocated to 80 authorities has come forward for parks. To be frank, it's an insult and just left-over crumbs. Many of the authorities I visited question even whether to accept it as the amounts are so small and they have no staff to do anything. To put this into perspective, HS2 is costing £250m/mile. Parks and green space are essential infrastructure and should therefore be funded the same as our roads and railways.

There are still small glimmers of hope where local leaders understand some of the big issues we face and push a greener, more sustainable approach. The new green space on The Strand in Westminster is one example, providing a landscaped area where there was once nothing but traffic. While £1m is being invested into a new park in Swadlincote on the site of an old colliery. In Manchester, they are creating the city centre's first new public park in more than 100 years. Mayfield Park, on an old industrial site near Piccadilly railway station, has been transformed into a new green space and features a children's adventure playground and river walkway. Unfortunately, these stories are few and far between.

Even back in the 1970s when "Parks for People" was published by Ben Whitaker and Kenneth Browne, who observed *"Parks should play a valuable part in the life of everyone who lives in a town., but too often do not. Many are designed without imagination. Others get eroded or spoiled. Worst of all, there are far too few of them."*

My frustrated conclusion is that there is still no national vision. Our choices are still stark, and I will continue to fight until our parks get the true recognition they deserve.

Let's not forget there is a general election on the horizon where we all have an opportunity to stand up for parks before it is too late.

Lawrence is a Director in Boyer's Bristol office. He has a wide range of experience achieving planning consents across the South West within residential, commercial, leisure, healthcare and renewable energy sectors, having previously worked for Stride Treglown, Knight Frank, Alder King and Barton Willmore.

NUTRIENT NEUTRALITY

Ways out of the nutrient neutrality impasse

Lawrence Turner LawrenceTurner@boyerplanning.co.uk

Current interpretation of the habitat regulations has left the housebuilding industry trapped and the absence of action threatens the government's levelling up objectives, writes Lawrence. The current interpretations of the habitat regulations are not consistent and sensible.

100,000 houses on hold

Recently I was invited to address the No 10 Policy Unit on the issue of nutrient neutrality, as part of the government's intention to unblock the 100,000 plus new homes, which have been stalled as a result.

The vexing subject stems from a 2018 landmark ruling by the European Court of Justice, in two joined cases related to the EU Habitats Regulations Directive, known together as the 'Dutch case' (C-293/17 and C-294/17).

The ruling led to government adviser Natural England directing local planning authorities (LPAs) not to approve developments that would add to phosphate/nitrate pollution in watercourses. When, in March last year, this advice was expanded to a total of 74 LPAs, homebuilder trade body, the Home Builders Federation, found that an estimated 100,000 homes were put on hold. The impact includes delays to local plan allocations, outline applications, reserved matters, and the discharge of planning conditions.

We have seen the ramification in our own work very recently. Boyer is advising housebuilders Taylor Wimpey and Vistry at Orchard Grove, Taunton in Somerset. The site has outline planning permission for 2,000 homes on 300 acres but future consents, due to local efforts to mitigate phosphates, are reliant on the developers identifying and implementing a longer-term strategic solution. To date, we have addressed this by fallowing roughly three quarters of the site to deliver the first 500 homes, but in the absence of existing 'solutions', future housing delivery will require some form of offsite mitigation.

Department for Environment, Food & Rural Affairs' Nutrient Mitigation Scheme has established new wetlands and woodlands in partnership with green groups and other privately led nutrient mitigation schemes and enables developers to purchase 'nutrient credits', to discharge the requirements to provide mitigation. It goes some way to addressing the key causes of the problem, but the solutions are long term.

Consequently, there is a requirement on local authorities and developers to implement mitigation schemes quickly. Currently locally based credit schemes are only available to small developments and SMEs; developers of larger sites are forced to seek their own phosphate mitigation.

Achieving this through offsetting, such as creating wetlands, woodlands and fallow habitats, rewilding and sustainable drainage systems, again, is far from ideal, as it results in the removal of significant swathes of viable agricultural land from production. Furthermore, if it is taken into account by the planning process, homes can receive planning consent and be built – but can't be occupied until the offsetting is in place.

Other solutions include a legal duty on water companies (announced in July 2022) to upgrade wastewater treatment works in 'nutrient neutrality' areas. The issue here is the timing: water companies operate on a five-yearly asset management plan (AMP). The current AMP is 2020-2025, and so allocating the investment for this change will not take place until the 2025-30 AMP. Some discussion has considered the government funding the necessary structural changes, but this seems highly unlikely following the privatisation of the water industry.

Other solutions include developers providing private water treatment plants, but inevitably there are limitations attached to this too, in the form of cost and land availability.

Consistent and sensible

Our view is that in the short term the problem can only be solved by directing LPAs towards a consistent and sensible interpretation of the habitat regulations; and importantly, an interpretation of the habitat regulations which is proportionate to the scope of what is open for consideration. For example, a housing development which is held up by an application to discharge a condition relating to details for tree root protection zones should only need an appropriate assessment that is concerned with that single issue, within the parameters of the permission already granted. The appropriate assessment should not have to reconsider the effects of the development proposal all over again.

Einstein defined insanity as "doing the same thing over and over and expecting different results." That is exactly what is happening with the current interpretation of the habitat regulations, and we are trapped in a never-ending circle of re-appraisal of development schemes every time a new condition, or reserved matter, is submitted to be discharged to a LPA.

Approaches taken by LPAs vary considerably: Cornwall, Winchester and Durham, for example, interpret the regulations to apply at the stage when planning permission is sought, thereby allowing reserved matters submissions and planning conditions which are already in the pipeline to be approved and housebuilding to begin. But many other LPAs have adopted a more cautious approach, requiring all reserved matters and conditions to demonstrate nutrient neutrality before they are approved. Most developers are unable to do so for the reasons outlined above, hence the planning moratorium continues.

The current situation has understandably been described as a postcode lottery, with reasonably priced credits available in some areas, but a scarcity and higher prices in others.

In her short time as PM, Liz Truss resolved to scrap the 'Brussels red tape' to free up the planning system. But although it originates in EU legislation, Habitats Regulations are now enshrined in UK legislation. Therefore changes to the Levelling Up and Regeneration Bill are required to deliver this, and of course a mere 'scrapping' of the regulations is likely to be met with vociferous opposition.

The best immediate action that the government can take is to end the 'postcode lottery' by issuing clear directions to LPAs, to clarify the interpretation of the regulations and enable housebuilding to resume as far as possible.

In the absence of such action, the government will fail to deliver on its key priorities of levelling up through regenerating large-scale sites in the Midlands and the north and resolving the housing crisis and, in doing so, of boosting the economy.

Opinion: Ways out of the nutrient neutrality impasse | Placemaking Resource

BNG AND LOCAL PLANS Introduction of BNG to local plans in England: Spring update

Sophie Davidson Sophie.Davidson@carterjonas.co.uk Rob Preston, Mark Russell, Kieron Gregson

Here the authors update on progress for local planning authorities over the last year in adopting biodiversity net gain policies. See also David Alborough's article on practical approaches to meeting BNG targets.

Context

A statutory requirement for Biodiversity Net Gain (BNG) is fast approaching. With less than a year until the Environment Act 2021 transitional period ends (November 2023), local planning authorities (LPAs) continue to evolve their planning frameworks to integrate BNG policy and

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.

Rob joined Carter Jonas' Planning Team in 2016 and is an Associate with 7 years' private sector experience, working for a range of clients on general planning consultancy work, including promoting residential and commercial development schemes.

Mark is a Partner in Carter Jonas Rural team. He is leading a natural capital service, providing brokerage and advice on Environmental Services including biodiversity net gain. The Natural Capital Hub provides a one-stop service for developers, landowners, and local authorities in what is a fast-developing market. Carter Jonas's Natural Capital Hub utilises knowledge and expertise from across the firm's Planning & Development, Rural, Commercial and Residential teams.

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.

As imposed by the 2021 Environment Act, all developments in England from Autumn 2023 will be required to deliver a mandatory 10% Biodiversity Net Gain, maintained for a period of at least 30 years. BNG is an approach to development and/or land management that seeks to leave the natural environment in a measurably better state. Habitat creation or enhancement can be delivered on-site, off-site or via statutory biodiversity credits, and is calculated using an approved Biodiversity Metric.

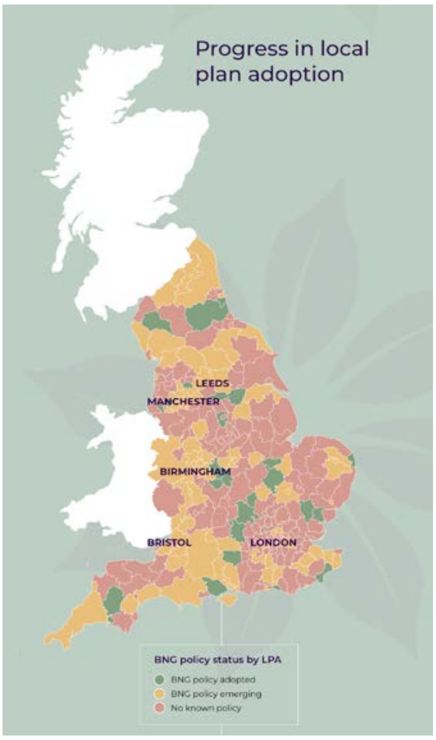
align with the National Planning Policy Framework. The technical consultation has concluded and the government has published its response with further clarification and technical guidance. The updated Biodiversity Metric 4.0 is expected in due course.

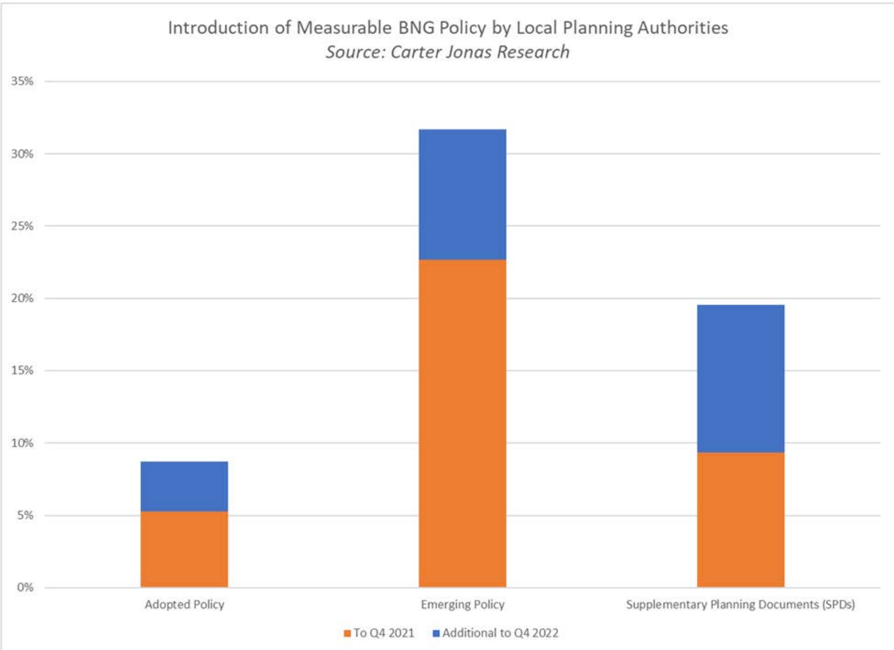
In April 2022 [Ed – see 2022 Summer Terrier], Carter Jonas researched the 322 LPAs in England (the total number at the time of research) and analysed the proportion of those where BNG measures have already been incorporated into local plans, mandating measured net gain for most development schemes. We also looked at where BNG policies are progressing through emerging local plans, which are likely to be afforded greater weight in the decision-making process as they near adoption, and where it appears in supplementary planning documents (SPDs). We have revisited the status of the LPAs to see where further progress has been made.

In undertaking this research, we have deliberately counted only policies which make explicit reference to the requirement for developers to deliver measurable net gain using a recognised metric. However, it should be noted that most local authorities are introducing or have in place generic policies which require biodiversity enhancements or net gain.

Carter Jonas continues to monitor the adoption of BNG policies within local plans and the percentage gains they denote as this has important implications for developers, while also creating opportunities for landowners.

Progress in local plan adoption





As we near Autumn 2023, we can expect that more LPAs will consider outlining measurable net gain in their local plan reviews and become more specific in how policy should be delivered. Such policies help to define how local authorities, communities, developers and landowners can work together to protect nature and help mitigate climate change.

In April 2022 (data to Q4 2021), Carter Jonas research reported that only 5.3% of the 322 LPAs we assessed had adopted a BNG policy; 22.7% had policies emerging through local plan reviews. As such, 72.0% of all LPAs had neither adopted a BNG policy nor had one emerging in their local plan.

The gap between those that at least have an emerging policy and those with none has narrowed, albeit only slightly. As of Q4 2022, just under 8.7% of LPAs had adopted a net gain policy and 31.7% have one emerging, leaving 59.6% without any BNG policy.

Regional differences

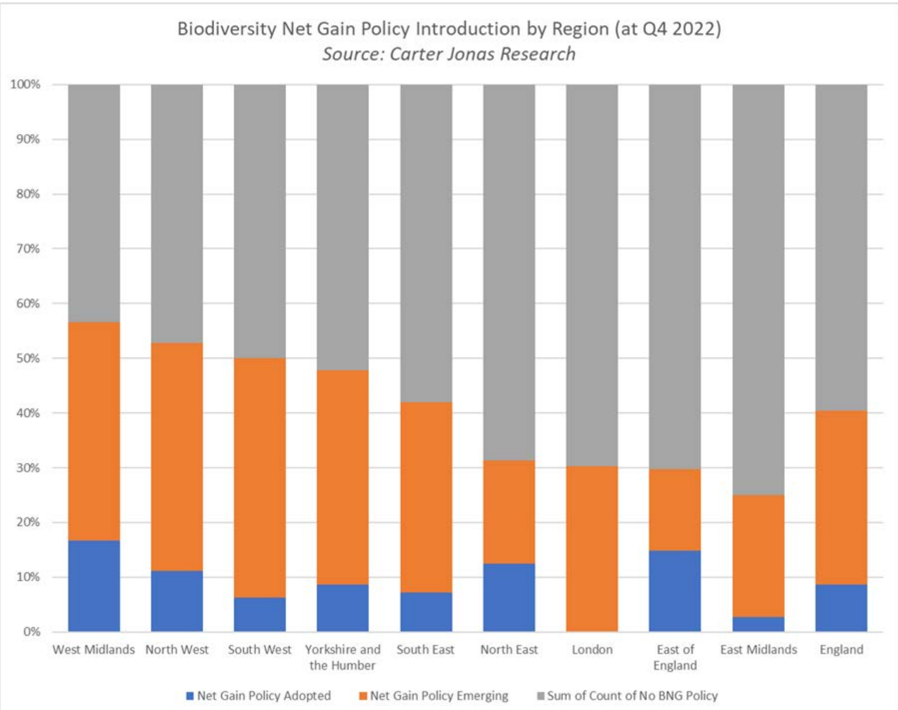
We continue to see greater progress in some regions, where some LPAs have triggered local plan reviews and are integrating BNG policy sooner. This may signal where demand for BNG solutions will emerge at a faster pace, particularly as many developers will be required to look for off-site credits and are likely to be competing for these. It may also indicate where landowners could benefit from the early introduction of BNG policy and determine their strategy accordingly.

Our earlier research showed that the South East had the highest number of LPAs with BNG policy either adopted or emerging in a local plan review. In the months to the end of Q4 2022, this number rose from 22 to 29 (comprising 5 adopted policies and 24 emerging), which continues to be the highest count by region. However, this is the region with the largest number of LPAs, and so only amounts to 42.0% of the total.

As a percentage of its total number of LPAs, the West Midlands is leading, as it was in our earlier research. The number of LPAs with adopted or emerging policies has increased to 17 LPAs, representing a significant 56.7% of the region.

Yorkshire and the Humber has seen the greatest progress, with the number of LPAs with adopted and emerging policies increasing from 6 to 11 (2 adopted and 9 emerging). Also, the North West has seen notable improvement, increasing from 12 LPAs with policies adopted or emerging, to 19 (4 adopted, 15 emerging). This is 52.8% of LPAs in the North West region.

Meanwhile, 75.0% of LPAs in the East Midlands and 70.2% of the East of England have no emerging or adopted BNG policy. London, too, has a high proportion (69.7%) of LPAs yet to put BNG on the agenda. It may be the case that LPAs are awaiting the introduction of BNG in November 2023, as mandated by the Environment Act. The 2021 London Plan (the statutory spatial development strategy for the Greater London Authority) notes that: 'The Mayor will be producing guidance to set out how biodiversity net gain applies in London'. Many LPAs within the Greater London area make reference to the London Plan in their individual planning policies, and so it is possible that they do not deem it necessary to address net gain separately.



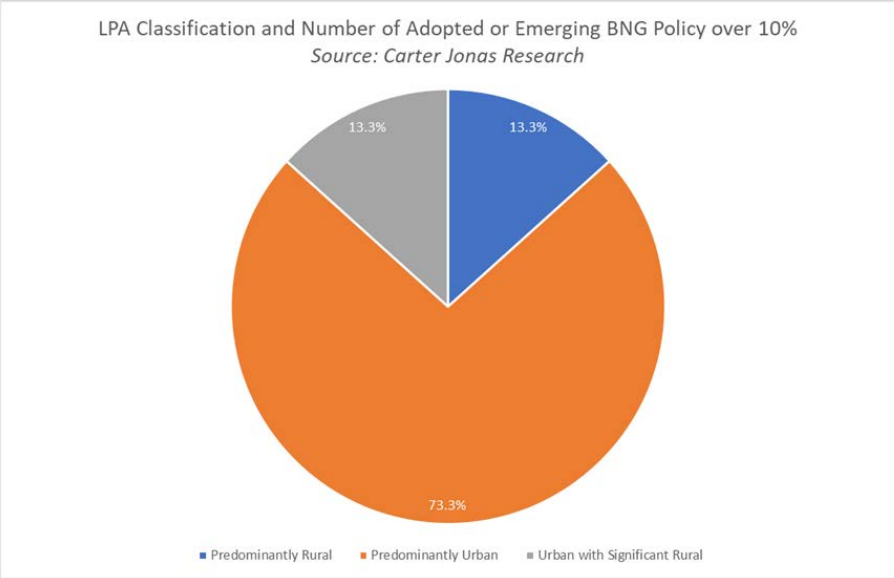
BNG and climate emergency

As of Q4 2021, 29.3% of LPAs that had an adopted or emerging BNG policy had declared a climate emergency. This compares to 24.1% of LPAs that had an adopted or emerging policy but hadn't declared a climate emergency. It continues to be the case that slightly greater progress is being made by those who have declared a climate emergency. At Q4 2022, there is still a visible gap, with 41.8% of LPAs that have an adopted or emerging BNG policy having declared a climate emergency, compared with 35.7% that have not declared a climate emergency.

Providing guidance on BNG and integrating into the local plan is a key action that LPAs can take in their strategies to address the climate emergency. It is unsurprising that these LPAs have been more proactive in giving BNG full weight in their planning process. It signifies a commitment to environmental policy and acknowledges a local role in reaching climate change goals.

There has also been an increase in the number of LPAs that are proposing a greater level of net gain than the minimum statutory requirement. At Q4 2022, the number of adopted policies calling for a higher percentage of BNG had risen to two (from one), with 13 emerging (up from 9) through local plan reviews. Typically, these LPAs are imposing a requirement for 20% net gain, although some have specified specific types of development that are required to go above the statutory 10%. Of these LPAs, 80% have declared a climate emergency, signifying that environmental policy is a high priority.

Located in a part of the country where the rate of biodiversity loss has been historically high, Greater Cambridge has affirmed that biodiversity and green spaces are a high priority and, accordingly, are seeking to introduce a 20% net gain requirement. South Cambridgeshire District Council's 'Doubling Nature Strategy' (February 2021) provides a backdrop, detailing the opportunity that the area's



growth agenda poses for improving the natural environment.

Interestingly, the majority of LPAs that have adopted or have emerging policies calling for net gain greater than 10% are 'predominantly urban' locations. These local authorities account for 73.3% of associated adopted or emerging policies, which equates to 5.1% of all authorities in this classification. This compares with only 13.3% that are 'predominantly rural' (or 2.2% of the category), and the same percentage for those classified as 'urban with significant rural' (or 3.8% of the category).

For instance, Birmingham City Council's 'Issues and Options' report (published October 2022) states that the council is considering a higher percentage of BNG since 'the majority of development sites will be on brownfield land with limited biodiversity value'. It states that the base biodiversity of developments will be low (although brownfield sites can also be biodiverse), and so a 10% increase will be negligible.

Other urban areas may be opting for higher levels, to ensure the natural environment is enhanced for local communities, with the subsequent green spaces and better air quality delivering valuable health and wellbeing benefits to those in towns and cities. There is also a growing concern among policymakers that urban dwellers and children growing up in urban areas are at a risk of becoming disengaged from the natural world if they do not have ready access to green and biodiverse spaces. Increased levels of BNG provides a practical solution to this.

Supplementary planning documents

SPDs offer LPAs a means to provide more timely and comprehensive guidance on planning matters. Where local plans are reviewed every five years, typically taking a couple of years from initial consultations to adoption, SPDs can take a matter of weeks to adopt. Although they do not form part of the local plan, they are material considerations in determining planning applications.

Rising by 33 LPAs over the year, at the end of Q4 2022 there were 63 LPAs with SPDs providing measurable net gain guidance. This equates to 19.6% of all LPAs, with more consulting on SPD drafts at the time of our research. It is likely that LPAs will look to SPDs to provide interim advice while a local plan review is taking place, or before the next local plan review is due. For instance, Greater Cambridgeshire is reviewing its local plan; while that is progressing, it has adopted the 'Biodiversity Supplementary Planning Document', affirming 20% net gain as best practice.

There are, however, proposals in the government's Levelling-Up and Regeneration Bill which would overhaul the use of SPDs. The revised planning system (expected to receive royal assent in Spring 2023) would abolish SPDs and, in their place, LPAs would be able to prepare 'Supplementary Plans' which would be afforded the same weight as a local plan. As with SPDs, these are likely to be seen as a means to expand on how BNG policies should be implemented. Existing SPDs would remain in force with a time limit (depending on the age of the current local plan), but we are likely to see some LPAs use supplementary plans in a similar way, albeit with greater authority.

Thoughts for the year ahead

As the statutory requirement draws nearer, we can expect more local plan reviews to commence and more measurable net gain policies to emerge. It must be noted that, regardless of whether LPAs have integrated BNG policy into their own frameworks or not, all LPAs will be subject to the mandatory requirement in November this year (or April 2024 for small sites). However, the LPAs that are already addressing BNG in local plan reviews and adopting SPDs allows us to identify and monitor how BNG is being applied in the planning decision making process prior to this.

Concurrently, we are likely to see increasing variation in the implementation of BNG. For instance, some local authorities have been collaborating and creating joint policies. Greater Manchester Combined Authority's 'Places for Everyone' is an example of this, calling for measurable net gain in line with national statute and providing guidance for the local authorities it encompasses.

Further, some local authorities are starting to develop their own habitat banks to help accelerate the BNG market and facilitate transactions within their localities. Plymouth City Council is an example of this, recently having signed off on a new 'habitat banking vehicle'. These initiatives are likely to help speed up the delivery of developments within their boundaries by offering a ready-made BNG solution. It also allows transparency on the details of the habitat banks and for unit values and spending to be published. A similar approach is already adopted in places where financial contributions are levied towards mitigation under the Habitats Regulations Assessment regime (e.g. the creation of Suitable Alternative Natural Greenspaces. It does, however, raise an issue of an actual or perceived conflict of interest for LPAs selling units to applicants, and whether applicants would have the option to go out to the wider market to purchase units.

As the market matures and becomes more transparent, we will be able to gain a better understanding of the scope of the market and the complexities that arise from it. Carter Jonas is advising landowners and developers on navigating BNG policy and potential solutions, but a case-by-case, tailored approach is a necessity, so please contact us for further information.

David is a land agent, consultant, and member of the Natural Capital team at Carter Jonas, joining in 2022 to expand the services that the team can deliver to its clients. Prior to this, David was Head of the Property Services function at Northumbrian Water for over 25 years. As part of that role, he helped develop the organisation's thinking around corporate natural capital accounting and biodiversity net gain, including how this link into their corporate property strategy and wider business goals.

David was also involved in major projects such as the Abberton Reservoir expansion scheme, increasing its water level by 3.2 metres, so creating an additional 15 million litres of freshwater storage. The scheme required careful environmental consideration being within a SSSI, Special Protection Area, and Ramsar Site. He was a Trustee of Suffolk Wildlife Trust from 2015 to 2021.

DELIVERING GREEN INFRASTRUCTURE What is the role of local authorities as rural landowners in delivering green infrastructure?

David Alborough MRICS MRAC David.alborough@carterjonas.co.uk

Following on from the statistics of BNG policy adoption, David gives readers practical advice at how to adopt and fund green infrastructure, find a way through the mire of central advice, and raise some challenges. "We believe there is an opportunity for you to take the lead while all of this gets sorted out."

Biodiversity units

For those who manage land for a local authority that owns rural land, it can seem at times like everyone wants a piece of it for something and they don't usually want to pay for it. At the same time, you are also tasked with making some money from the asset. With the potential average value of a biodiversity unit widely quoted at about £20,000 and estimates of 1.5 units to the acre, everyone is doing some basic maths, achieving some big numbers, and getting very excited about biodiversity net gain.

However, things are not that simple. While some will see this is an opportunity to sell biodiversity units to make some money, we believe that there is a wider opportunity.

When looking at creating biodiversity units on your land we believe you need to consider:

1. The regulations governing Biodiversity Net Gain (BNG) will make it clear that a local planning authority can't offer its own units in preference to those provided by others. It will be a true open market so do you really want to be in a race to the bottom in terms of price?
2. BNG is a semi-permanent land use change which is going to be hard to alter in the future. Thus, you need to think carefully about where the best place for it is - if at all - on your land
3. The payments are very likely to be made up front, but the obligations will need to be funded for 30 years. How will that work with your finance department?
4. How can BNG be delivered on land that's let on long term agreements to third parties, when those agreements were entered into long before BNG or natural capital were invented?
5. After the initial 30-year period, who is going to pay for the land's maintenance? There may be other schemes or the possibility to create more units, but basing your decisions on that assumption is potentially a huge risk.

National green infrastructure

As you can see, it's not quite as simple as it seems. Let's take a step back and consider the bigger picture. What this

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.

To discuss your current requirements, please contact:

Alexandra Houghton, Head of Public Sector
alexandra.houghton@carterjonas.co.uk | 07880 004520

OUR LOCAL AUTHORITY EXPERIENCE:

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

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

2,691 tenancies under management

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

12 local authorities we provide annual asset valuations for is about, when you think about it, is creating elements of a national green infrastructure. Infrastructure as we all know needs planning and enabling with a long-term view, both in terms of delivery and financing. Local authorities are well placed to do this as they are used to thinking in that way.

The government's plan for this is set out in the Environmental Improvement Plan which came out in January 2023. Rural land and how it's used is picked up in virtually all the 10 goals that are within the plan. What is interesting is that there seems to be no overarching strategy in relation to land use. Defra is planning a land use strategy, but it seems it won't link into areas beyond its responsibility. DLUHC, through the Levelling up bill consultation, is looking at the national planning strategy. There is quite a bit in there about nature recovery but other than mentioning Local Nature Recovery Strategies (LNRS), I couldn't find much else. Natural England has got in on the act too with its Green Infrastructure Framework which sets out a process which is urban focused, but it has quite a useful free mapping tool which is worth a look.

There is no commitment from central government as to when all the LNRS need to be in place by, nor much funding to help prepare them. Yet from 9 November 2023 it all goes live. Applicants and decision makers will need to take account of these LNRS then, which will be interesting as in a lot of areas they won't yet exist. It looks like the market will decide for quite some time what is going to go where, with individual landowners, local planning authorities, ecologists and developers making all the decisions probably on a development-by-development basis.

So, what do you do?

We believe there is an opportunity for you to take the lead while all of this gets sorted out. Before you think oh no, I don't have the time or resources to do that. How about this:

1. As a public body under the Environment Act 2021 you are obliged to comply with the general duty to conserve and enhance biodiversity. This is in the form of an objective to conserve and enhance biodiversity in England. You have a duty to consider what actions you can take to further this objective in discharging your function. If you consider you can take actions, you need to prepare specific policies and objectives in relation to this and plans for implementation. This initial review needed to have been done by <u>November 2022</u>. Thus, it is likely that the potential for biodiversity improvement on your land has already been looked at, or should be being looked at somewhere in your organisation
2. With the huge changes in the funding for agriculture, it's a good time to take a look at your property estate and see how it's going to work in the future; otherwise, as they say, "the situation may mange you rather than you managing the situation". By that I mean, can your current lettings policy work both socially and financially, what help do your tenants need to survive and hopefully thrive, taking into account the following income streams and which party receives the income first? All of these offer new opportunities:
    - BNG
    - carbon credit sales where there is a recognised code such as the Hedgerow carbon (code due imminently), Woodland carbon and Peatland carbon codes
    - Agri environment schemes coupled with the new Landscape Recovery funding.

When collecting the data you will need for this, don't forget you do need to get some base line data for carbon. While the value of carbon nor the amount you can sequester isn't significant now, it could be in the future. It can also help you understand your contribution to the road to net zero.

If you link the outcomes of the above with a discussion with your planning teams, the LNRS group, your neighbouring landowners, and if there are any in your patch, farmer cluster groups, I don't think it will take much to see where you can join either blocks of land or people together. A lot of these opportunities work much better at scale.

Though these conversations won't quite produce a green infrastructure plan in the traditional sense, there should begin to be a bit of structure and joined-up thinking. I believe you will find that you can facilitate discussions, share information, and help to bring a bit of structure to the potential chaos that is on its way.

Funding

The final and most important question is where will the money come from? Well, there is the beginnings of quite a bit out there. In no particular order:

1. <u>Defra Landscape recovery fund:</u> This is specifically aimed at large landscape scale multiparty projects. The next round is open soon, with £25m up for grabs; there is a commitment for a further round in 2024
2. <u>Big nature impact fund:</u> This is a multi-faceted development fund which is underwritten by the government to the tune of £30m. It is run by Finance Earth and Federated Hermes. They are currently raising additional investment, with a target of around £400m. This will be available to invest in projects and businesses, with the aim of building market capacity and delivering projects that develop a return such as the Woodland carbon code, Peatland code and BNG
3. <u>Corporates:</u> We are starting to have our first conversations with corporates who already have a plan to get to net zero but want to go beyond that. They are looking for land-based projects that can deliver multiple benefits to their business and are willing to pay for projects that can help them achieve that
4. <u>Sale of BNG units:</u> If you do decide to create and sell your own, you could use the profit to fund other schemes. However, remember to keep some back to cover the risk for habitat failure.

All this funding relies on partnerships in some form or another. As I have said above, local authorities are well placed as they are used to working this way, can think at scale, are well-motivated, trustworthy, and have the systems to provide good governance to partnership projects. Thus, in my mind, they are an ideal candidate to be the green glue that can help join it all together.

What will you get back?

You should be able to help deliver a network of improvements in the countryside, some of which may even make you some money. You will also be helping the rural economy in your region adapt. There will be carbon captured and biodiversity improved. As this new regime beds in, those parts of the country where it is working well should have an advantage attracting business to the most environmentally friendly and well-planned locations. This will support economic growth, as new and existing businesses will be able to utilise this green infrastructure. Outcomes may help achieve your climate change/energy policy objectives, carbon reduction plans/road to net zero and biodiversity policies.

All in all, quite a lot really.

Rhea joined NHS Property Services in 2019, supporting the business on a range of cross-functional CSR programmes to help the NHS deliver on its Long Term Plan. Rhea has responsibility for creating social impact, including through the development of social prescribing hubs and improving estate accessibility. Prior to working within the NHS, Rhea worked on corporate responsibility and sustainability initiatives at Royal Mail and O2.

HEALTH CREATION ALLIANCE
How can we provide spaces that enable different communities to create health?

Rhea Horlock Rhea.Horlock@property.nhs.uk

Rhea outlines the recent report prepared by the Health Creation Alliance which has identified valuable insights into future social prescribing for health care in the community. The recommendations are relevant to providers wider than just the health sector.

Introducing NHS Property Services

NHS Property Services is a government-owned company which exists to help the NHS get the most from its estate. We ensure that NHS buildings are consistently fit for purpose so that healthcare professionals can deliver excellent patient care. Our portfolio is one of the largest in the UK, comprising more than 3,000 properties with 7,000 tenants across England. At a total value of more than £3bn, this represents about 10% of the total NHS estate. Our properties range from listed buildings through to state-of-the-art integrated health campuses.

We work closely with our customers across the NHS system to ensure that everyone has access to good quality healthcare facilities. With England's 42 Integrated Care Systems now legal entities to provide more joined up health and care services for people who live in their area, there is an even greater opportunity to serve patients in different ways. This is especially important in being able to address the disparity in health outcomes that can be seen across, and within, communities all over England.

We want to enable more patients and communities to have the opportunity to use NHS spaces to create health in ways that work for them. We know there's no 'one size fits all' approach to healthcare, and that different communities need different things to be able to thrive.

Through our Social Prescribing programme, we are developing new approaches to supporting community wellbeing and tackling health inequalities, by making more efficient and effective use of NHS estate across England. We want to shift the dial from a system designed to treat illness to a system that works in partnership with communities to promote health and wellbeing, including through supporting social prescribing. This requires engagement with communities, support for community-led wellbeing services, and a thorough understanding of needs and requirements.

The Health Care Alliance report

It is this acknowledgement of the need to understand that prompted us to commission the Health Creation Alliance to undertake a research project focused on determining the needs of different communities. We wanted to know more about how a range of different community groups use NHS spaces, including those groups with poorer health outcomes, so that our colleagues can be better equipped to make informed decisions on how our space is used. The full report is available on our website (https://www.property.nhs.uk/creating-spaces-for-community-and-patient-wellbeing/?utm_source=aces&utm_medium=magazine&utm_campaign=thca-report).

What we found is that what matters to the different communities we engaged with is more similar than we'd expected, and that diversity is widely welcomed. We also found that the differences in what matters – and why – between these communities are often nuanced, and that these nuances are important to understand. This has given us confidence that, by working more closely with communities, we may be able to get this right for more of the customers and patients we serve, more of the time.

Findings from the report

The Health Creation Alliance held interviews and focus group sessions with ten different communities:

- Carers
- People with and recovering from drug and alcohol dependency
- Rural communities
- People with a learning disability
- People of Somali origin or heritage
- People with experience of mental ill-health
- People from the LGBTQ+ community
- Women from South Asian origin or heritage
- People with a disability
- People from the Roma community.

Hearing the experiences of these communities provided valuable insight into how the NHS can better support individuals by opening up NHS spaces to them and what these community spaces would need to be successful.

These conversations uncovered eight common themes:

1. Understanding and overcoming the trust deficit. There were varying levels of wariness, skepticism, and distrust of NHS and other statutory services across many groups. While there was the desire to have more positive relationships, many stressed that they needed to feel like they were being listened to in conversations about what properties and spaces can do for them
2. Greater recognition of community-led and peer-led activity. There is a broad range of community health and wellbeing activity that happens outside of commissioned NHS services and social prescribing programmes, and the groups felt that these weren't always being recognised when the NHS was determining what services to bring into its properties
3. Multi-purpose spaces. This meant both the same space being used by multiple communities for different purposes, as well as integrating a range of different services within one building so people can access all of them in one visit
4. Location of premises. What constitutes a 'good location' and what to avoid varied depending on the community group but includes things like whether the best community spaces were in or out of town, what areas of a town centre they were in, and what other services are nearby
5. Transport, parking, access and accessibility. A broad category which highlighted the need for things like transport audits to understand how people could get to the location and access statements, so people know what to expect once they arrive
6. Welcoming environments. Almost all the groups said that a welcoming environment that is safe and comfortable is very important to enable people to feel relaxed and more able to talk and connect with others
7. Quality and inclusive culture in facilities management. This included comments around both the proactive upkeep of community spaces in buildings as well as how facilities management colleagues can ensure their relationships with communities aren't influenced by unconscious discrimination or stereotyping
8. Ownership of, or control over, the premises and processes. Giving groups ownership over their own space would make them feel empowered and committed to making sure it is 'right for them' rather than it feeling like a temporary space that they're not invested in.

Through distilling all this feedback, The Health Creation Alliance came up with a number of recommendations for us in terms of how we can factor these themes into how we do business. While some of these recommendations were very specific for NHS Property Services, many are relevant for all estates providers, whether NHS, the wider public sector or in private business.

The report showed that we should try to connect with the different communities wherever we operate to understand what it is they need to create health, not just treat their illness, and try to understand why they're asking for that. The report also highlighted that we shouldn't reinvent the wheel; NHS spaces aren't the only source of community space where people can participate in health and wellbeing activity and it might just be that people don't know about what's available to them, so we can act as sign posters as well as providers.

Another key recommendation that we should all be mindful of, whatever sector we work in, is making sure people can get to and use your spaces – understanding what transport is available, help to lobby for improvements if you can, identify how everyone, regardless of their access requirements, can get inside your property and get around, and how can groups find and book a space to meet.

The report has already proved incredibly valuable to us and we are looking at how we can build more of the recommendations into how we do things. We are grateful to the Health Creation Alliance for the care they have taken to engage with less well-heard communities and to dig deep into what people told them. The depth and breadth of insight this report provides will help inform our social prescribing programme and decision-making across our business. We also hope that it will be widely appreciated and used as a reference far wider than just within our organisations, not only to the ten communities it features, but also as a guide to create spaces for health and wellbeing that work for everyone.

Wesley joined the Savills Earth team as a director at the start of 2023 and leads on social value, with a remit to focus on the 'S' of ESG.

Wesley has 10 years of experience in the field of social value across the private, public and voluntary sectors. He has held director positions within the built environment sector for 8 years and was awarded Social Value Creator of the year at the UK Real Estate Investment & Infrastructure Forum awards 2022.

SOCIAL VALUE
The future is social

Wesley Ankrah wesley.ankrah@savills.com

Wesley outlines the importance of social value and community in all property projects, which requires quantitative and qualitative measurement. "In a time of economic instability, the need to think about the needs of local communities are more important than ever."

It could be argued that the real estate sector is largely preoccupied with physical outputs – the buildings and the infrastructure surrounding them. Although there has been a shift towards inclusion of socially driven initiatives as part of the development cycle, there is still a significant disparity between the best in class and standard approaches with regard to delivery within the sector.

ESG has turned up the volume for the voice of social value and has created an opportunity for different facets of the sector to put people and places on par with property, in the pursuit of balancing profit with social objectives and working towards a more sustainable world.

The long-term stakeholders of any project are the communities that come to occupy it and the one in which it exists. Decisions made at the front end of a development journey will impact the prospects and opportunities of that community/communities for many generations to come.

As those within the built environment we should all accept some responsibility for creating change. How we achieve change will be driven by the culture and values of the business we work for and the businesses we work with.

Social value is an investment not a cost and like any investment, businesses are entitled to see a return on that investment. I have spent many years developing methodologies, frameworks and initiatives that seek to achieve this through a bespoke approach. The approach requires a deep understanding of the communities, policies and social issues that shape the present and the future of the project and the surrounding area.

Social value creates a shared benefit that provides a neutral place for stakeholders from the private sector, public sector and communities to enjoy meaningful engagement. Whether that be through the activation of impactful commercial space, the creation of employment opportunities, the inclusion of creative industries, or the delivery of community programmes, the outcome should remain the same - a net positive impact that creates genuine change for the better. It is in-depth research and analysis that sets the quality standard for the advice we provide that

subsequently unlocks the full potential of a project.

One of the key principles of social value is involving stakeholders in maximising the benefits from any planning consent. Integrating the needs of communities into the design or associated community projects is appealing to funders for their ESG requirements, while having the dual benefit of enabling support of community leaders and politicians.

Our approach to measurement

What we measure is ultimately dependent on what we are trying to achieve, so the approach is very much driven by understanding the needs of a project, both inside and outside the red line of the planning application. Quantitative measurements are often used to demonstrate the impact of social value schemes and these are particularly useful when thinking about fiscal and economic outcomes such as employment and skills, or increased economic activity. However, social value cannot truly be measured by numbers alone, listening to people's opinions and their experiences of change that has been created is equally as important and some outcomes are not easy to quantify. Value can be shown through capturing the change for people and communities through qualitative methods.

There are many commercial benefits to social value projects, but in order for social value to be impactful, it is important to focus on assuring integrity throughout. The real estate sector has the ability to change the future, developing and regenerating towns and cities, leading to a more socially sustainable future. In a time of economic instability, the need to think about the needs of local communities are more important than ever.

Jonathan is Senior Specialist in Valuation and Investment Advisory working within the Standards Department of the RICS. He is a Fellow of the RICS, an Associate Member of the Royal Institute of Chartered Arbitrators and an RICS Registered Valuer and Expert Witness. He has over 25 years of general practice surveying experience predominantly in the areas of investment brokerage, commercial valuation and development consultancy, gained while working as a director within leading international real estate consultancies in the UK, Central and Eastern Europe and the Middle East. He is also a member of the Consultative Advisory Group to the International Public Sector Accounting Standards Board, providing valuation input on its ongoing public sector measurement projects.

RICS®

EXISTING USE VALUATIONS
Insight sought on existing use value valuations for UK public sector financial statements

Jonathan Fothergill FRICS ACI Arb jfothergill@rics.org

"Based on insight received by RICS, we have seen examples of where this basis of valuation is often unintentionally misapplied, misunderstood or misrepresented….. it would appear that it is the interpretation and practical application of service potential included within the EUV definition that has given valuers the most difficulty." Jonathan encourages valuers to respond to the current consultation on EUV valuations.

The RICS' valuation team has worked in tandem with a working group to produce new guidance relating to existing use value valuations prepared for application in public sector financial statements. Members involved in this area can get involved by contributing to the consultation now.

An introduction to the Existing Use Value basis of valuation

Existing use value (EUV) is the prescribed valuation basis for UK public sector owner occupied operational properties for financial reporting purposes, and in particular, with those properties which are classified as non-specialised. The current definition of this basis, along with guidance for valuers in respect of its practical application, is provided within UK VPGA 6 (Local authority and central government accounting: existing use value) of the RICS Valuation – Global Standards: UK National Supplement as follows:

'The estimated amount for which a property should exchange on the valuation date between a willing buyer and a willing seller in an arm's-length transaction after proper marketing and where the parties had acted knowledgeably, prudently and without compulsion, assuming that the buyer is granted vacant possession of all parts of the asset required by the business, and disregarding potential alternative uses and any other characteristics of the asset that would cause its market value to differ from that needed to replace the remaining service potential at least cost."

UK VPGA 6 notes that this definition is taken from the wording of the market value definition with one additional assumption and a further requirement to disregard certain matters. It states that in practical terms, the definition of EUV can be seen generally to accord with the conceptual framework of VPS 4, but subject to the supplementary commentary provided in UK VPGA 6 which provides further insight into the definition and in particular the disregards which can result in a property's EUV differing from its Market Value.

Commencing the valuation with the presumption that the EUV (the least cost replacement) will be the same as the Market Value, it is necessary to then have regard to the impact of the disregards stated in the EUV definition, which may result in the EUV being higher or lower than the Market Value. These are:

- Disregarding of potential alternative uses
- Disregarding of any other characteristics of the asset that would cause its market value to differ from that needed to replace the remaining service potential at least cost.

Issues in misapplication and misunderstanding of EUV

The valuation of owner occupied non-specialised operational assets using market transaction information to assess their EUV may appear at a surface level to be a straightforward proposition, but unlike market value, EUV is not an exit value basis. Rather, it is an assessment of deprival value - what would the least cost replacement for the asset's remaining service potential that would enable the continued delivery of its current functions for the entity?

Although the UK still uses EUV for public sector property used for service delivery, alongside IFRS Fair Value for most other public assets, because its use is now much less widespread, the body of knowledge around it has diminished, along with the availability of guidance signposting its correct application. Owing to these factors and some subjectivities concerning its definition, based on insight received by RICS, we have seen examples of where this basis of valuation is often unintentionally misapplied, misunderstood or misrepresented, both among valuation and auditing practitioners and academics. To address this, in the autumn of 2021, the RICS formed a working group comprising representatives from key public sector valuation stakeholders to produce fresh explanatory guidance on EUV, incorporating case studies.

From the work undertaken by the working group, it would appear that it is the interpretation and practical application of service potential included within the EUV definition that has given valuers the most difficulty, moreso, given that this is a concept generally better understood by accountants than valuers.

Other interpretation related issues which were flagged in the work of the working group include differing interpretations of how to deal with vacant possession referred to within the definition: are valuers valuing the actual property in use, or potentially a different property situated in an alternative lower value location, and where is it appropriate to draw the line between what qualifies as a specialised, as opposed to a non-specialised property?

RICS public consultation on new guidance

Draft guidance has now been produced in the form of, 'Existing use value valuations for UK public sector financial statements', and which is currently the subject of a 4-week consultation commencing 3 April 2023.

In addition, UK VPGA 6 has been updated as part of the updating process of the ongoing UK National Supplement. Enabling a more consistent approach, this professional standard provides practical advice, guidance and clarity on the interpretation and application of EUV valuations of owner occupied operational properties in public sector valuations when used for financial reporting purposes. The content is intended to assist members by explaining and reaffirming the underpinning principles of EUV when used in the public sector financial reporting context.

The intended target audience of the guidance is practicing valuers dealing with public sector valuations, auditors, end users of valuations, together with all stakeholders involved in the public sector valuation process wishing to see a consistent approach to application of EUV in public sector valuations.

It is anticipated that following the clarification provided within this professional guidance, members and firms will wish to undertake any internal checks or reviews they judge necessary to ensure they are fully compliant with the Red Book in these respects when undertaking valuations in this area.

Members can offer valuable feedback

RICS is keen to hear from all members involved in working in this area. We want to gain a representative view of the market from professionals involved in interpreting and applying this valuation basis, particularly given its importance in public sector financial reporting and the shift in focus to figures for the balance sheet.

The consultation can be accessed via: https://www.rics.org/professionstandards/consultations/euv

NON-INVESTMENT ASSET VALUATIONS HM Treasury review of non-investment asset valuation for financial reporting purposes

Donna Best Donna.Best@cipfa.org

Donna outlines the changes afoot for Property Plant and Equipment (PPE) asset valuations. The consultation period is under way and ends on 18 May 2023. See the note at the end about responding to the consultation.

Donna is a Property Advisor at CIPFA, chartered surveyor and registered valuer. She has over 25 years' experience in the property industry, including local government, where she headed property teams and was responsible for overseeing the preparation of annual capital accounting valuations. Donna is a member of the South-West Branch of ACES.

HM Treasury has now published a consultation paper on proposed changes to the valuation of assets categorised as property, plant and equipment.

Background

Last year, HM Treasury conducted a thematic review to consider the costs and benefits of the current regime and explore possible alternatives. The findings of the reporting team included the following:

- Elements of the regime are costly relative to their benefits (c£50m a year)
- Costs are expected to continue to rise significantly
- Uses of the information is limited
- There are unrealised asset management benefits from the valuations undertaken
- DRC measurements are prone to being assumption driven and their contestability affects the audit process
- The work associated with reporting audited asset valuations is a contributory factor in the timeliness of reporting.

The team found that there was a case for change.

Proposed changes

The consultation paper outlines specific proposals for central government bodies. However, if the proposed changes are adopted, there will be an expectation that they will be reflected in future local authority accounting through the CIPFA/LASAAC Code, unless convincing reasons are given for a different treatment. The proposed changes are summarised in the table.

Asset category	Current measurement	Proposed measurement
Networked assets	Depreciated replacement cost, with the exception of English, Welsh and Scottish local authorities which measure networked assets at historical cost	Depreciated replacement cost
Specialised assets (PPE)	Depreciated replacement cost	Historical (deemed) cost
Non-specialised assets (PPE)	Existing use value	Fair value
Heritage assets	Current value like other IAS 16 assets, but where not practicable to value, non-operational heritage assets reported at historical cost	No change proposed
Social housing assets	Existing use value	No change proposed
Surplus assets	Fair value	No change proposed

Transition and implementation plan

The Treasury proposes that the amendments will apply from 1 April 2025 and the stages are illustrated in the diagram.

An opportunity to put your views forward

Many valuers will agree that the existing use valuation basis, including DRC, is widely open to interpretation and requires assumptions to be made that can often be difficult to evidence and or defend when challenged. Could the work currently being undertaken by the RICS to engender more consistency in the approach to EUV sufficiently address these problems?

Certainly, financial reporting standard setters have yet to agree an alternative measurement which they consider robust enough to provide what would be deemed relevant information.

The question of course comes down to how measurements contribute to ensuring the provision of a 'true and fair' view of the financial position, performance and cash flows of a local authority. Who are the 'readers' of financial statements and what information do they need to know and for what purpose? What valuation basis would best reflect the value of property assets to the authority?

Now is a great opportunity for you to put your views forward. The Exposure draft for public consultation has been published as: Thematic Review of Non-investment Asset Valuation for Financial Reporting Purposes - Consultation Paper (https://www.gov.uk/government/consultations/thematic-review-of-non-investment-asset-valuation-for-financial-reporting-purposes-consultation-paper

ACES consultation – Editor's note

The consultation closes on 18 May 2023. Chris Brain, ACES Liaison Officer on Valuation, has kindly offered to lead on coordinating and responding to this important Treasury consultation. Response questions are, helpfully, gathered together in chapter 2. The paper indicates other comments would be welcome.

If you have any views on the proposals, which are potentially far reaching, please let Chris have them by email to chris@chrisbrainassociates.com by Friday 5th May, to allow time for processing.

Note for readers: CIPFA will be running its accredited Asset Valuation Certificate course from 27 April. For more information, please follow this link: https://www.cipfa.org/training/c/certificate-in-asset-valuation or contact Donna at Donna.Best@cipfa.org

Patrick is an Associate Director in Avison Young's London Planning, Development and Regeneration team. As an expert in town centre regeneration and affordable workplaces, Patrick has undertaken research on the topic for the London Boroughs of Brent, Hammersmith & Fulham, Haringey, Lambeth, Islington, Tower Hamlets, Camden and Hackney.

DELIVERING AFFORDABLE WORKSPACE Supporting dynamic micro-businesses and start-ups

Patrick Ranson patrick.ranson@avisonyoung.com

Small businesses and start-ups drive innovation, support economic growth and deliver social value. One of the biggest challenges facing them, however, is finding affordable workspace, particularly against a backdrop of rising inflation and added cost pressures. In this article, Patrick explores what affordable workplace is, why it is crucial for small businesses, and how local authorities can facilitate the provision of such space.

What is 'affordable' workspace?

The 'affordability' of commercial space has in recent years become a strategic focus for urban planners and strategists in London. The Greater London Authority (GLA) is at the forefront of this, given commercial rents have risen significantly across the city over the last decade, hand in hand with increasingly constrained supply.

But, what is 'affordable' workspace? In the London Plan (2021, p.246) the GLA defines it as:

"Workspace that is provided at rents maintained below the market rate for a specific social, cultural, or economic development purpose. It can be provided directly by a public, charitable or other supporting body; through grant and management arrangements (for example through land trusts); and/or secured permanently by planning or other agreements".

Such "specific… purpose[s]" include workspace that is:

- Dedicated to specific sectors that have social value such as charities or social enterprises
- Dedicated to specific sectors that have cultural value such as artists' studios and designer-maker spaces
- Dedicated to disadvantaged groups starting up in any sector
- Providing educational outcomes through connections to schools, colleges or higher education
- Supporting start-up businesses or regeneration.

The GLA also set out an expectation for *"[London] boroughs, in their Development Plans,… [to] consider detailed affordable workspace policies" (p.245).* They do not, however, provide guidance on what *"rents maintained below the market rate"* are or how affordable workspace planning policies should be structured.

Given this lack of guidance, boroughs have developed their own 'affordable' workspace policies. While most secure space through s106 agreements as part of new large-scale commercial developments - and generally define 'affordability' as a simple discount to the market rate - what they deem as an appropriate discount varies greatly.

To illustrate:

- The London Borough of Tower Hamlets stipulates that developments that comprise 1,000+ sqm of employment space must provide 10% of space at a rate that is at least 10% below the market rate
- The London Borough of Hackney sets out that schemes with 1,000+ sqm of employment space should provide 10% of space at no more than 40% of market rate in the Shoreditch Office Area, and no more than 60% in other areas
- The London Borough of Islington demands that developments with 1,000+ sqm of employment space provide 5% of space at a peppercorn rate for entrepreneurs, social enterprises, and charities.

This variation has significant implications for the type, nature and outcomes of space that comes forward in each place.

While early 'affordable' workspace policies have helped to bring forward a number of innovative spaces (e.g. Tripod, Brixton; Better Space, Farringdon; XCHG, Bishopsgate), there is a clear opportunity for future policies to take a more nuanced definition of 'affordability'. This is because 'affordability' means different things to different businesses and there are other factors that are as, if not more, important to small businesses than a discount to market rent. For some businesses, an initial rent-free period may be more valuable than a sustained discounted rent due to initial high set up and fit-out costs.

Similarly, access to expensive and specialist equipment can be a greater barrier to entering the market or scaling for some businesses than paying a market rent. For others 'easy-in-easy out' lease terms can be more helpful because they can scale up and scale down their activities as they test new ideas without the risk of punitive and costly lease breaks. Some smaller businesses also prefer 'all inclusive' rates to discounted rates, particularly where they incorporate business rates, energy bills, WiFi, showers, lockers, meeting rooms or reception staff. While the price per sq ft advertised can be higher for workspaces offering these terms, the total cost to occupiers can be lower as they benefit from economies of scale and do not face the administrative burden associated with these factors.

Perhaps the narrative should shift toward 'accessible' workspace rather than 'affordable' workspace as the latter has connotations related to discounted rents.

Why is 'affordable' workspace needed?

While rising commercial rents have impacted all of London's businesses, they have disproportionately affected smaller businesses and organisations. This is problematic because the city's economy is underpinned by entrepreneurs, innovators, and risk takers that run micro-businesses employing only a handful of people – they account for 93% of businesses in Outer London boroughs and 88% in Inner London boroughs.

Rapidly rising inflation is also pushing some to the brink - research from Global Web Index and Vodafone shows that 1/3 of businesses employing under 10 people report that staying afloat was their main priority for 2022. This underlines the importance of 'affordable' and accessible workspace for London's squeezed businesses.

Given this context, proactive local authorities and other stakeholders should look to support operators of 'affordable' and accessible workspace as much as possible, to help mitigate the negative economic impacts of inflation and the on-going recession. There are a wide range of levers that stakeholders can consider here, from business rates relief to rental breaks. Strong partnerships are also essential, as highlighted by Emily Berwyn from Meanwhile Space, a prominent 'affordable' workspace operator:

"The cost-of-living crisis has resulted in enormous increases in the costs to run properties, as well as increased staff and services costs, while also reducing tenants' ability to pay rent. This has pushed a number of our already marginal affordable workspace projects to an unviable position, and we are seeing this repeated across the landscape of other affordable workspace providers. With such risky projects, having strong supportive partners is essential or they fail. This works best when it takes the form of a collaborative approach when challenges are faced, a true partnership rather than client and commissioner vs delivery organisation to overcome viability challenges that result in project failure. Typically, this can manifest as regular project board meetings to find ways around the barriers and risks, sharing in the rewards (profits) as well as the unexpected hurdles (deficits), business rates policies that support affordable workspace, and not tying operators into restrictive leases with fixed rents.

The benefits can be plentiful when projects are successful, and can include nurturing new or at-risk industries, placemaking, support to particular demographics or those traditionally excluded from entrepreneurial opportunities, increased community cohesion and bespoke services and facilities that meet local demand and needs".

Proactive players will also look to increase the supply of 'affordable' and accessible space through both policy and practice to support local economic resilience.

Where is 'affordable' workspace?

At the moment, London has the most specific and well-developed 'affordable' workspace planning policies in the country. Many constituent boroughs are currently drafting and adopting 'affordable' workspace policies, though a few, such as Brent, Camden and Hackney, have had them for some time - 16 of the 32 London boroughs have adopted policies and 11 have emerging policies or guidance, as the map illustrates.

Alongside these policies, many London boroughs have specific programmes and approaches to directly delivering affordable workspace. Examples include:

- Workspace Fund (London Borough of Lambeth): Lambeth has set up an £8m by-application loan and grant fund to help affordable and supportive workspace providers open more space across the borough
- Public Sector Land (London Borough of Haringey): Haringey has leased an underutilised car park in Wood Green town centre to Meanwhile Space to deliver Blue House Yard – a temporary, architect-designed hub for local creatives, entrepreneurs and residents
- Public Sector Assets (London Borough of Sutton): Sutton has let the former BHS store in the town centre to Oru Space to deliver a wellbeing-focused workspace for local creatives, entrepreneurs and residents who combine 'profit' with 'purpose'.

Affordability is not, however, an issue that is exclusive to London - many towns and cities across the country are facing supply issues, which are being exacerbated by permitted development rights. This is notable in Bristol, where city centre office rents have increased by +103% over the last decade, as well as Manchester and Edinburgh's city centres which have seen +54% and +45% rises respectively.

Due to this, local authorities and other economic development bodies across the country (i.e. Local Enterprise Partnerships) are increasingly recognising the value in providing such space to support their local places and economies. Manchester City Council, for example, recently secured £19.8m from the Levelling Up Fund to provide affordable technology and creative workspace in underdeveloped parts of its city centre.

There is an opportunity to introduce specific affordable workspace policies as has been done in London – though these should look to use a more nuanced and holistic definition of 'affordability' than current policies.

Beyond policy, there are a wide range of other levers that local authorities and other stakeholders can consider to deliver 'affordable' space outside of London. Five options for consideration are:

1. Re-purposing older and under-utilised public sector buildings (see Platf9m, Brighton)
2. Activating under-utilised sites in prime town centre locations (see SPARK, York)
3. Setting up grant and/or loan funds to encourage 'affordable' operators to open spaces (see Lambeth Future Workspace Fund, London)
4. Directly delivering new 'affordable' spaces as part of mixed-used regeneration schemes (see Plus X, Brighton)
5. Creating workspace portals that advertise and market small unused spaces that could be let to local enterprises (see Open Poplar, London).

Some forward-thinking authorities are already doing this, as illustrated by We Are Super in Weston-super-Mare, The Enterprise Hub in Wrexham and the Toffee Factory in Newcastle.

Which locations are right for 'affordable' workspace?

When writing policies or delivering workspace by other means, local authorities should recognise the importance of place. The famous adage when buying a new house is 'location, location, location'. – the idea being that a house in a desirable location will always be in demand when coming to sell in the future. The same applies to commercial properties – those that have the 'right' offer in the 'right' places will attract occupiers and should, in theory, continue to do so into the future.

Most current 'affordable' workspace policies do not do this and take borough-wide approaches to securing space. Effective workspace policies should provide a location-specific steer on what should be provided where,

and for whom, linking in with a place's economic strategy.

Crucial to this is the idea that new 'affordable' workspaces should be introduced where they cater to businesses that complement and support existing clusters of economic activity – an 'ecosystem' approach is important to understand interactions between business sectors and scales. This is because new 'affordable' workspaces in these locations are more likely to survive as demand is likely to be strong from likeminded businesses, and because it can help generate agglomeration effects, drive economic growth and support productivity. Clusters of interesting business activity can, where carefully designed, also support place shaping objectives, given the footfall and vibrancy employees can bring to an area.

What should councils consider when developing location responsive 'affordable' workspace policies and strategies?

Drawing all this together, local authorities should consider the following questions to help them deliver holistic and location responsive 'affordable' workspace policies and strategies:

1. What are our priority sectors to grow, attract and retain?
2. What workspace typologies do our priority sectors demand?
3. What are our priority sectors' affordability challenges?
4. How do we best meet the needs of our priority sectors?
5. What are our priority sectors' location requirements?
6. Which locations are most suitable for our priority sectors?
7. Where do existing clusters of economic activity exist?
8. What are the aspirations of our economic strategy and how can this policy support them?
9. Are there are any locations that are not suitable for 'affordable' workspace provision?
10. Do we have any priority 'affordable' workspace projects in the pipeline that would benefit from additional funding support?
11. Are there any locations that are well-suited for community and socially-oriented workspace provision?

Considering these questions will help councils develop approaches that maximise the economic and social impacts of 'affordable' workspace provision.

John is a chartered surveyor and has over 20 years of property experience. He heads up Ardent Management's regeneration team, advising acquiring authorities and developers on land assembly and compulsory purchase to unlock major regeneration and development projects. He is an elected national board member and the Honorary Secretary of the Compulsory Purchase Association. He is appointed to the RICS Global President's Panel for Compulsory Purchase Dispute Resolution as an Expert Determiner and Mediator.

COMPULSORY PURCHASE REFORM The Law Commission review

John Sayer johnsayer@ardent-management.com

John sets the scene of current compulsory purchase land value assessment, and outlines the remit of the Law Commission's review: "the stage is set to transform the use of compulsory purchase powers for the benefit of communities as well as those property owners who are impacted. I hope this golden opportunity is seized upon to bring about real change."

Background

Despite the various changes in government over recent years, one message that has been clear is an ambition to reform the compulsory purchase regime to help deliver much-needed new homes, revitalise town centres, and support left-behind communities to address an economy in balance.

Aside from the political turmoil, the government has continued with its endeavours and while some of these have now moved to tangible outcomes, there have been a few bumps in the road that have halted the delivery of much-needed new homes and major regeneration in Barking and Maidenhead (see later).

DLUHC consultation

Last Summer, the Department for Levelling Up, Housing & Communities (DLUHC) consulted on changes to compensation payments, for land where there is a hope of future development, which is acquired with compulsion.

Under the current regime, a landowner may be compensated for the market value of the land, which can reflect development prospects, if demonstrated they exist in the absence of the scheme being promoted by the acquiring authority. This ignores any positive or negative effects the proposals being brought forward by the acquiring authority might have. This seeks to put the landowner back, in so far as is possible through compensation, into a position of equivalence. The principle of equivalence has long been the cornerstone of the compensation regime so that landowners are no better or no worse off.

Last summer's consultation canvassed opinions whether the removal or capping of hope value in compensation payments would enhance the viability of schemes and help deliver public benefits, such as more homes. At the time of writing, DLUHC is yet to publicise the outcome of last summer's consultation and so whether this has wider support is unclear.

On March 13, the government tabled amendments to the Levelling Up and Regeneration Bill. This identified a direction may be made if compulsory purchase powers are being used to deliver affordable (including social) housing and education or healthcare facilities, that 'hope' value should not be allowed in compensation to landowners.

With that in place, when assessing the value of land, it is assumed that no planning permission would be granted for development on the land. In simple terms, even if there is a prospect of an alternative use (not related to the scheme), any value the real market might pay for this is ignored. The land is, therefore, valued on an existing use basis, which may be less than market value.

As a practitioner in compulsory purchase matters for well over 15 years, I can see such proposals would be fraught with difficulty and may have the opposite effect of what the government is trying to achieve. Aside from offending the basic principle of equivalence in compensation, which has wider legal impacts and risk of challenge, this could deter developers from starting to assemble land by private treaty.

The majority of land used to deliver new housing is acquired through private treaty on the open market. On more complex sites, often parcels of land are acquired and if efforts to secure all interests won't succeed, then compulsory purchase may be used by an acquiring authority.

The risk to a developer here is that they acquire land at market value and an acquiring authority could come along at a later stage and pay existing use value, say agricultural value, resulting in a loss. Such a risk will make developers much more cautious about trying to assemble challenging sites to unlock new housing, resulting in a reduction in sites being brought forward.

Many schemes I have been involved in during recent years have looked to use industrial brownfield sites to deliver new homes. Many of these have required business relocations, which are often expensive, even more so at a time of notable inflation. In addition, the value of industrial land climbed significantly during the Covid pandemic, in some areas, making the existing use value equivalent or greater than residential land values. In this situation, the changes to the compensation regime will have no effect on reducing the cost of securing land to boost the supply of more affordable homes.

Given that most land for housing is secured outside of the compulsory purchase regime, it seems as though the proposal will create a level of risk to those actively purchasing land for development, without creating a wholesale market intervention that boosts the output of all homes, including affordable ones.

Law Commission review

As part of the commitment made by the government, in February 2023 the Law Commission announced the start of its review on Compulsory Purchase legislation. In the new review, the Law Commission will examine the technical laws concerning:

- The procedures governing the acquisition of land through compulsory purchase orders
- The system for assessing the compensation awarded to parties in relation to such acquisitions.

The Law Commission last examined this area of law back in the early 2000s. A number of robust reforms were proposed at that time but, sadly, many of them have not been implemented. Such a review comes around infrequently, and the stage is set to transform the use of compulsory purchase powers for the benefit of communities as well as those property owners who are impacted. I hope this golden opportunity is seized upon to bring about real change.

Failed CPOs

It has not all been plain sailing in the compulsory purchase world, with two high profile schemes having been denied compulsory purchase powers in recent months. In the 2022/23 Winter issue of ACES Terrier, it was reported that a major scheme in Barking, known as Vicarage Field, had its compulsory purchase powers 'not confirmed' following a public inquiry. The scheme was to deliver much-needed regeneration to one of the most deprived areas of the southeast, by providing a new retail and leisure offer with 855 new homes. The absence of scheme viability data and criticism of how affected property owners and occupiers had been treated was key to the reasons for refusal.

One refusal in the compulsory purchase world is notable, but then in early 2023 another major scheme was also knocked back following a Public Inquiry. The scheme is to redevelop the Nicholsons Shopping Centre in Maidenhead and provide a new retail and leisure offer with 650 new homes. In contrast to the Barking decision, the Inspector was positive that the scheme has the needed resources at its disposal to be delivered and of the benefits it would bring to the local area.

However, similarly to the scheme in Barking, objections were made by property owners and occupiers that they were not properly supported by the council and their development partner. One notable objector, the family-owned local nightclub called Smokeys, made a case that the impact on their business, homelife, and the local community through the loss of their business did not create a compelling case for their property to be acquired.

In this case the inspector felt the council and developer had not taken sufficient steps to support the business and the use of compulsory purchase powers was not yet the last resort.

As this is the second time in recent months that lack of meaningful engagement and negotiation has been a reason not to confirm a CPO, it seems inspectors are placing more emphasis on making genuine and reasonable attempts to enter into private treaty deals and supporting the parties a scheme is seeking to displace.

From a land assembly perspective, a push towards greater engagement has a number of benefits and helps to de-risk the scheme, for both the promoters and those who are impacted. In my experience, early, meaningful engagement has always been essential to unlocking land assembly challenges. I am, however, mindful that the current pressures on project resources make this an even greater ask.

I am working with a number of clients at the moment to review their land assembly strategies, to ensure all that is reasonably possible is being done to minimise the impact on affected parties. Here at Ardent, we work hard to ensure that we can support developments that will have a positive impact on their communities and we have countless examples of how that is achieved, often with the use of compulsory purchase.

Not confirming compulsory purchase powers in Barking and Maidenhead will compound current difficulties in the towns and create greater uncertainty. Delays are now inevitable, together with increased project costs from wasted time, money and resources.

There is also the risk that much-needed regeneration and the delivery of new homes doesn't proceed at all. This seems to be the opposite of what the government is trying to achieve in its proposed amendments to legislation.

Paul currently heads the national rating team at Lambert Smith Hampton and is a member of the RICS, Institute of Revenues Rating and Valuation, and the Rating Surveyors Association. He has specialised in providing rating advice to owners and occupiers of commercial properties for almost thirty years. He has successfully conducted appeals in respect of the last six rating revaluations for a wide range of property types ranging from offices, shops and factories to hospitals, hotels, marinas, police stations and television studios.

BUSINESS RATES REASSESSMENT Counting the Costs

Paul Nash BSC MRICS IRRV PNash@lsh.co.uk

Paul conjectures "business rates are likely to represent the single biggest increase in overheads for industrial occupiers over the next few years." Here he outlines the likely effects of the 2023 reassessment on industrial and logistics assets.

Revaluation time

All commercial properties in the United Kingdom are assessed for non-domestic rates based upon open market rental values. On 1 April 2023, all commercial properties across England & Wales will be reassessed for the purposes of non-domestic rates. The impact of the 2023 revaluation depends on how rental values have changed over the six years since the last valuation date in 2015. As we predicted last year, industrial properties are going to see significant increases in business rates over the next few years.

These increases come at a testing time for industrial and logistics occupiers, many of whom are already grappling with eyewatering increases in operating costs. The increased cost burden relates to both property-related costs, through strong rent rises and higher energy bills, and non-property costs, via increased costs of goods transport and labour.

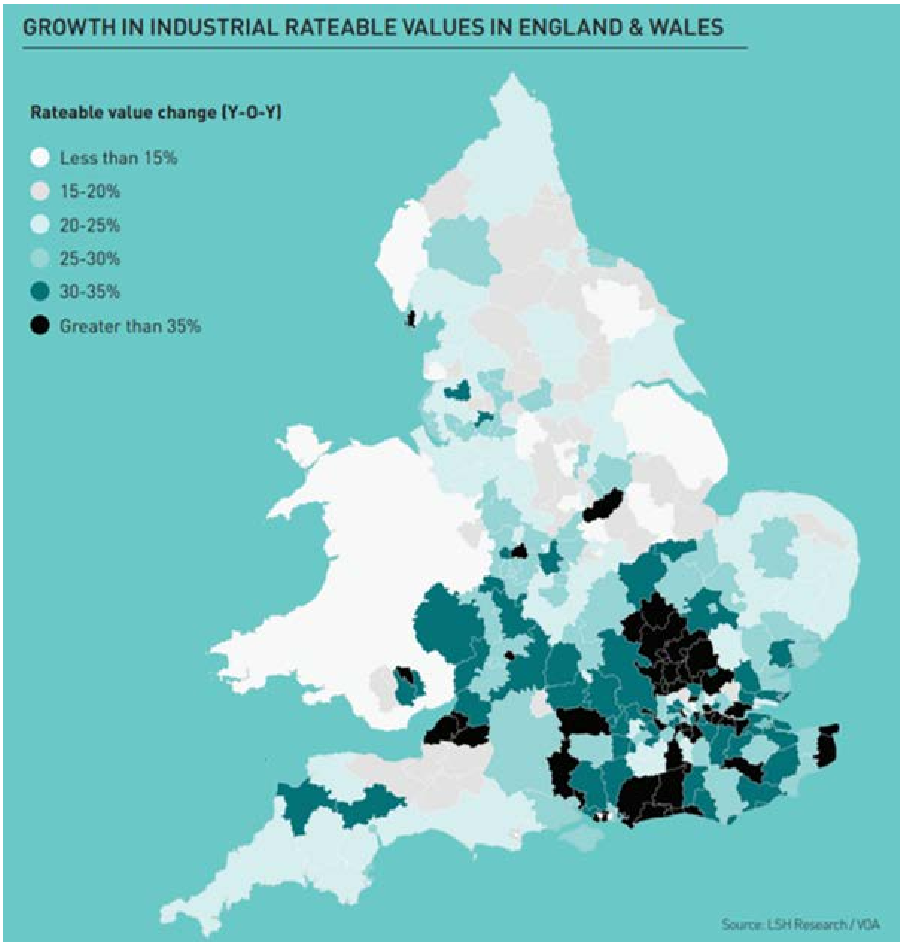
Industrial feels the impact

Fuelled by structural change and accelerated by the effects of the pandemic, industrial and logistics has significantly outperformed the main commercial property sectors in recent years. A cocktail of record take-up and undersupply has driven unprecedented rates of rental growth, both in the run-up to the 2021 valuation date and beyond.

The growth in rents up to April 2021 and its effect on 2023 rateable values has recently been revealed by the VOA. Across England and Wales, industrial properties are set to see a 27% average increase in rateable values, considerably higher than the 7% average for all commercial properties. The retail sector is the clear beneficiary, with rateable values down by -10% on average.

London and the South East hit hardest

Due to geographical contrast in levels of rental growth, changes in rateable values are far from uniform. At the regional level, average growth in rateable values is, predictably, strongest in Greater London (up 33.1%) and the surrounding regions of the East (up 35.1%) and South East (up

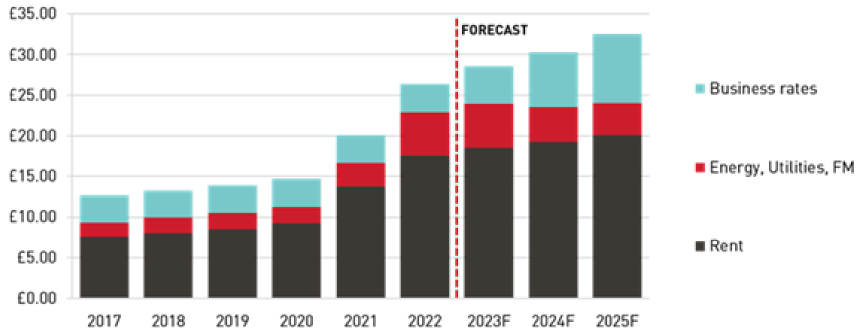


ILLUSTRATIVE GUIDE TO TRANSITIONAL RELIEF FOR INDUSTRIAL OCCUPIERS

	CAP TO THE RATES PAYABLE		
Rateable value	2023 to 2024	2023 to 2024	2023 to 2024
Up to £20,000 (£28,000 in London)	5%	10% plus inflation	25% plus inflation
£20,001 (£28,001 in London) to £100,000	15%	25% plus inflation	40% plus inflation
Over £100,000	30%	40% plus inflation	55% plus inflation

SOURCE: LSH RESEARCH

PER SQ FT PROPERTY COST – EAST LONDON 120,000 SQ FT UNIT



SOURCE: LSH RESEARCH / GREENCHIP CONSULTING

33.5%). However, as the map illustrates, there is also wide variation within the regions of England and Wales themselves.

The size of the industrial premises also has a key bearing on the extent of the increase. Indeed, for many larger warehouses located in and around Greater London, rateable values are set to more than double and, at the extreme end, some of the larger properties around particular London hotspots will see a near-trebling in their rateable value.

Small unit occupiers get more protection

Although the 2023 rating revaluation will hit the industrial sector hardest, the government has rightly offered some shielding in areas with large increases in rateable value though its transitional relief scheme. This effectively caps year-on-year increases in the rates liability up to 2026, and is set in three different tranches according to the rateable value amount, as detailed in the table.

The programme of transitional relief affords occupiers of smaller properties with a considerable amount of protection from large increases in rateable values. Meanwhile, however, even with the transitional scheme in place, larger properties with higher rateable values could potentially see substantial year on year increases in liability across all three years of the new rating list.

Rate rises in context

For those properties that will see the largest increases in rateable value, the phasing in of substantially increased rates liabilities will feed into tangible increases to overall occupational costs.

Using a case study based on an actual property in East London - a very high growth area for rateable value change - the chart places the rate rises into a wider context with overall occupational costs. As can be seen, due to less generous transitional relief arrangements associated with larger buildings, the rates payable are set to jump sharply from April 2023, and ratchet up further to 2025/26.

Furthermore, for many occupiers of larger properties, increases in business rates will provide the main component of growth in overall projected occupational costs between the end of 2022 and 2026. Indeed, with clear signs that the energy price shock of 2022 is increasingly behind us, the rise in business rates will more than offset the forecast reduction of energy costs by 2024.

Mixed Impacts

Quite how these elevated costs will impact upon occupiers depends on a host of variables and, ultimately, businesses' ability to pass costs onto consumers. In the logistics space, overall property costs, high as they now are, still represent a relatively small part of the overall cost base, when considered alongside transport and labour costs (approximately 30%), which themselves have seen pronounced increases over the past 18 months.

However, with many businesses in the logistics landscape operating with tight margins, the prospect of sharp rises to business rates will be hard to stomach alongside everything else. While the government is unlikely to reconsider the transitional relief for larger properties, as is always the case, occupiers will be able to appeal the increases, if there is evidence to suggest that the 2023 rateable values are inadequately reasoned.

How can LSH help?

Lambert Smith Hampton's business rates experts are located throughout the UK and have access to unrivalled market knowledge through its national network of offices. Access to this market data, coupled with its business rates expertise, means we are ideally placed to provide advice to both occupiers and owners of industrial properties on the scope for challenging the new 2023 rateable values, and other potential ways to mitigate business rates liabilities.

Click here to download our Industrial & Logistics 2023 Market Report.

David is an authorised High Court Enforcement Officer with over 36 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.

REMOVING UNDERGROUND PROTESTORS

HS2 and removing protesters from Euston Square Gardens

David Asker property@hcegroup.co.uk

David here gives us more insights into the range of situations for evicting protestors – this time, those demonstrating in tunnels. David has had to delay writing about this one due to two High Court hearings and here summarises the arguments used by the protestors, all of which were not accepted by the judges.

The tunnels

In January 2021, the National Eviction Team (NET), a wholly owned subsidiary of High Court Enforcement Group Limited, was instructed by HS2 Ltd to remove protesters from Euston Square Gardens. Tunnels had been constructed on the site and protesters went underground on 27 January 2021. Fortunately, we had been working on extensive planning and preparation with the team from HS2 Ltd, prior to HS2 Ltd legally taking possession of the land. That process had included detailed planning for the possibility that the occupants had constructed tunnels.

As a result of the detailed planning, we were prepared for all eventualities, so could commence the operation straight away, having the operational plans, risk assessments, at height and confined space teams in place.

While we were undertaking this dangerous work, we were also facing false and baseless statements made in the press and social media with regard to the National Eviction Team's experience and expertise in the safe removal of activists from confined spaces.


Protesters above ground at Euston Square Gardens

High Court decisions

Two applications were made to the High Court by one of the protesters, Dr Maxey, to halt the protester eviction on the grounds that it was unsafe and a breach of the Human Rights Act. Two High Court judges in two separate hearings comprehensively disagreed, at the same time awarding HS2 Ltd everything it asked for in its cross applications.

In the second hearing Mrs Justice Steyn rejected an application to stop the removal of the protesters. In her judgment, the Judge accepted evidence provided by HCE Group that the protester eviction was being undertaken in a correct and safe manner.

Dr Maxey had asked Justice Steyn to: cease operations to extract them from the tunnels, set up an exclusion zone, provide oxygen monitoring and hard-wired communications equipment, provide food and drinking water for the protesters, and remove human waste from the tunnel. He also asked for HS2 to allow Peter Faulding, who runs a search and rescue company and was acting as a witness for Dr Maxey, to access the site with three colleagues and for HS2 to disclose their risk assessments, operation plans and minutes of meetings.

Dr Maxey said that the operation was putting the protesters at risk and was blocking his freedom of expression by exposing him to the risk of injury or death and depriving him of sleep under the European Convention of Human Rights.

Commenting on Peter Faulding, Justice Steyn noted that he had failed in his bid to win the contract to undertake protester removal operations for HS2 and said that his experience of removing protesters from tunnels was, in fact, gained between 1995 and 2001 and that all the references he supplied were more than 20 years old.

Faulding raised a number of concerns about the operation. Firstly, he claimed that those undertaking the operation (i.e. us) lacked sufficient expertise or equipment. Justice Steyn disagreed with this contention, based on the "powerful evidence" given by HS2 and David Asker (the author of this article) of HCE Group.

Faulding also claimed that there had been insufficient planning time, but while giving evidence in court, we stated that the National Eviction Team had always known there was a possibility of tunnels and had started planning in December 2020, including a contingency for tunnels. These plans were thoroughly reviewed by HS2. The Health and Safety Executive was also involved in this process.

Protesters below ground

Faulding said there was a need for an exclusion zone, but we had already put this in place when the tunnels were identified, and that there was no machinery in the exclusion zone. Justice Steyn determined that this application was redundant.

Faulding said that there were no multi-gas detectors in the tunnel and oxygen levels were not being monitored. He said the air compressor being used may not have a valid certificate of service and there was no back up air compressor. HS2 and NET gave evidence that there was, and always had been, monitoring of oxygen levels in the tunnel. There were two breathing air compressors, hired from a specialist company with all the correct documentation, with compressed air hoses and oxygen and gas detectors and a back-up on site.

Faulding criticised NET's work to shore up the protesters' shaft. We responded that this was done to stop it from collapsing, which was a very real possibility, and then the team excavated a more suitable shaft to gain access to the tunnel to remove protesters. These works were carried out in accordance with designs and working methods approved under the Construction Design and Management Regulations to the Health and Safety at Work Act 1974.

Justice Steyn said she could not criticise the National Eviction Team's approach.

Faulding also said hard-wired communications equipment was needed, but we responded that the protesters clearly had a viable 5G mobile signal as they were constantly releasing video footage and giving interviews from the tunnels. The representative from HS2 added that hard-wired communications was best practice in 1996. Justice Steyn didn't find any issue with our approach to communications.

Faulding complained that the operation began when other protesters were in accommodation above the tunnel. We stated in court that we removed these protesters as a priority to make the area occupied by the tunnels as safe as possible. Leaving the protesters in the tunnel was not a reasonable or safe option. Justice Steyn did not support Faulding's claim.

Faulding claimed that the protesters' water drainage system was removed, but we replied that rainwater was being collected to an area outside the exclusion zone. Justice Steyn said that HS2 had evidence that this was being managed properly but that Faulding had no knowledge of what had been done.

Faulding also raised a video that the protesters had put on social media that had been edited to make it look as though the enforcement agent was standing on a protester's hand (see image). In actual fact, the enforcement agent was trying to fill a lock with expanding foam and the protester tried to grab his legs, so he got out as quickly as possible as he was worried that protesters might put restraints on his legs to prevent him from leaving.

As part of his claim, Dr Maxey wanted the supply of water and food and the removal of human waste. Justice Steyn said that HS2 has no obligation to supply food or water and that the defendant (the National Eviction Team) was already removing human waste.

Justice Steyn concluded that there was no realistic prospect of the court finding that either NET or HS2 was breaching their duty. She stated:

"The claimant [Dr Maxey] has not come close to establishing a strong enough case to justify the court stopping the operations to remove those who are in the tunnel, given the compelling evidence as to how dangerous it is for them to remain there."

In considering the application for Faulding and three of his team to enter the tunnel to provide expert evidence, Justice Steyn denied the application and said that asking permission for four more people to go into the tunnel and place an extra burden on the defendants of protecting more lives was "extraordinary".

Despite these court appearances and treacherous conditions on site, particularly very poor tunnel construction by the protesters, high levels of rainfall, unstable sub-soil and tunnellers smoking in the tunnels, we safely removed the final protester on 26 February 2021.

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.

WHALE WATCHING Whale watcher's guide to a net zero carbon property strategy

Chris Brain FRICS chris@chrisbrainassociates.com

Chris gives us a new take on taking net zero seriously. "[Whale watching] brought home the impact of the change we are seeing. I hope that by sharing it, it will make you think about the importance of your net zero target."

Many of you reading this who are currently developing (or seeking to implement) your property strategy, will be tackling the tricky issue of achieving net zero carbon on your property estate. You will most likely have a date your organisation has set for this to be achieved. You may well be struggling to settle upon an action plan that will do that.

I have just returned from a whale watching holiday in Baja California, and it was while on that trip that the idea for this article came into my head. I was kitted out with a life vest, sitting with eight other people on a 20-foot wooden panga boat, heading out to greet Grey Whales in San Ignacio Lagoon.

Grey Whales at San Ignacio Lagoon

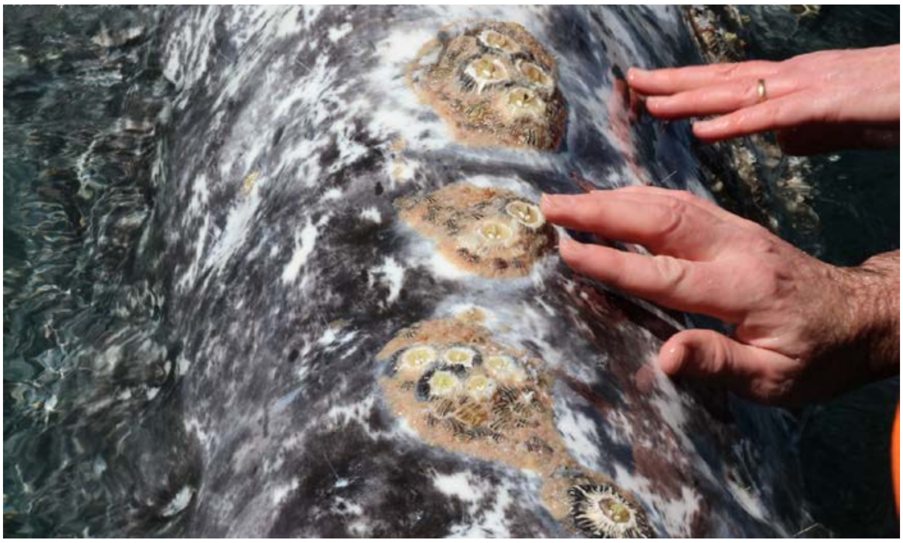
Let me start by giving you some background on Grey Whales and the importance to them of San Ignacio Lagoon.

The pre-whaling population of Grey Whales has been estimated to have been 76,000–118,000 individuals, in the Atlantic and also the eastern and western Pacific. The Atlantic populations disappeared as larger scale commercial whaling began in the 17th century. The Eastern Pacific population is still under severe threat from commercial whaling. The population on the Western Pacific is however doing well.

Today the Grey Whale population is more like 27,000, which is considered to be at optimum sustainable levels due to environmental changes since pre-whaling days, such as ship strikes, entanglement in fishing gear, and changes in sea-ice coverage associated with climate change.

San Ignacio Lagoon is a UNESCO World Heritage Site. It is one of three of the most popular breeding grounds for Grey Whales, the others being Magdalena Bay to the south, and, to the north, Laguna Ojo de Liebre.

The lagoon is important as it provides a safe haven from the whale's only predator, the Killer Whale. It's a place to breed and rear their young, protected by a sand bar which Killer Whales are unable to cross. That is until last year.



Impact of climate change

My trip to San Ignacio Lagoon introduced me to one of the first-hand effects of climate change. For with climate change comes rising sea levels. It is the rising sea levels that last year enabled Killer Whales to enter San Ignacio Lagoon for the first time in recorded history. It is climate change that has introduced a new threat to the Grey Whale species, which they have not experienced previously. Their biggest previous threat was directly from human whaling, and now a new threat has emerged which our net zero targets are designed to tackle.

However successful we are in meeting net zero carbon targets and in slowing the rise in global temperatures, slowing is all we will do. Global temperatures are already rising, and will continue to rise whatever we do in the next 20 years. This demonstrates the urgency of our plight.

This example of the impact of climate change is just one small and simple example. There will be numerous similar examples across the world, which together present significant threats to animal species globally.

This was real for me, enough to prompt me to tell you this story. It brought home the impact of the change we are seeing. I hope that by sharing it, it will make you think about the importance of your net zero target. It will make you treat the net zero target as tangible and real, making it a 'must have' rather than something which is optional.

San Ignacio Lagoon experience

Before describing my experience with Grey Whales in San Ignacio Lagoon, it is important to understand some context.

For centuries humans pursued and slaughtered Grey Whales. Their blubber was rendered into lamp oil. The Atlantic population was hunted to extinction. In Baja in the late 19th century, the whaler Charles Scammon went after the breeding females, turning the blue waters red. His tactic was to harpoon the babies, whose cries of agony would bring the mothers to the surface to protect their young, where more and bigger harpoons awaited them. The mother Grey Whales fought back. They attacked the whalers, crashing the boats, sending hundreds of sailors to their deaths. Whalers gave the Grey Whales a new name, "Devil Fish."

More recently, in 1956, cardiologist Dr. Paul Dudley White attempted to record the heartbeat of a Grey Whale using small darts. The whale charged and smashed their boat, knocking off the rudder and propellor and bending the driveshaft at a 45-degree angle with one blow from his tail. The whale then turned around and charged again, smashing in the side of the boat.

In the 1960s Jacques Cousteau decided to chase female Grey Whales with his zodiac to get film footage. After several hours, the whale turned, breached and landed on top of the rubber boat, destroying it.

Despite a ban on whaling of Grey Whales introduced by the US Government in 1949, a whaling station in Richmond, California, caught 311 grey whales for "scientific purposes" between 1964 and 1969. That was 54 years ago. Grey Whales have been known to live for up to 75-80 years, which means there are Grey Whales living in the eastern pacific group that will still remember human whaling.

All this makes what I am about to relate to you, all the more incredible. If I had not experienced it first-hand I would not have believed it.

It all started in 1972, when Mexican fisherman Francisco (Pachico) Mayoral was out alone in his panga boat – identical to the one I went out in in March this year. He was fishing for grouper when a Grey Whale surfaced beside him. Local fishermen were well acquainted with the whales, very aware of the Gray Whale's power and ferocious temperament. Like everyone else in San Ignacio Lagoon, he always tried to keep a cautious distance.

The massive head soon slipped back under the water. Then it popped up on the other side of his boat. The routine continued for 40 minutes. One side, then the other. Putting his fear aside, he reached out with one finger and touched the whale. The whale moved closer. The fisherman reached again and petted the whale.

That was the beginning of an incredible change in our relationship with Grey Whales in this lagoon. It ultimately led to me experiencing what surely has to be one of the most amazing and spectacular animal interaction with humans on the planet.

Whales are sentient and very intelligent animals and much like your puppy looking you in the eye and communicating that they want you to scratch behind their ears, the whales in this breeding and birthing lagoon look you right in the eye and choose to swim over to your panga boat to be caressed, stroked, rubbed (and yes, kissed) and even roll onto their backs so that you can scratch their bellies.

Grey Whales might not be quite as big as a Blue Whale, but believe me they are big. The maximum weight is believed to be around 40 tons and they can reach 49 feet in length. One cannot fail to be struck by the sheer scale of these animals, and their size in relation to the tiny panga boat I was in.

But the overriding emotion was one of joy and awe, not fear, as the whales appear inches away from you, seeking human interaction. The mothers edge their calf towards the boat, encouraging them to join in. It's almost as if they are accepting our collective apology for the years of hurt we have caused their species.

I eagerly stroked and scratched the whale's head, as did others in the boat. Fellow travellers in boats near us had whales open their mouths allowing them to stroke the baleen plates which they use for filter feeding.

Over the course of my two days at San Ignacio Lagoon, the panga boats took eight trips out into the lagoon, and each and every time the Grey Whales approached and sought contact. It is truly a life changing moment, and something I would encourage anyone to do.

Shawn is Director Sustainability at Ingleton Wood. He has worked in the building design industry for 25 years, and is an expert in sustainable design, energy reduction strategies and engineering. He is both a Chartered Building Services Engineer and later also trained as a Building Surveyor.

Shawn is a member of CIBSE, a CIBSE Low Carbon Consultant for Design & Operation CIBSE Heat Network Consultant, is also an accredited DEC Assessor through CIBSE, licensed BREEAM, Code for Sustainable Homes and EcoHomes Assessor, BREEAM Accredited Professional and ESOS Lead Assessor and Heat Network Consultant. His engineering and building surveying background enables him to be highly competent and experienced in the principles of sustainable building design, while offering practical, innovative and deliverable sustainability strategies and solutions.

Shawn worked for BSRIA, Future Energy Solutions at AEA Technology, Building Surveying Practices and Building Services Consultancies, managing projects of all aspects of construction, including building and building services, energy, renewables and sustainable design and operation.

MEES REGULATIONS

The MEES Regulations – Implications for commercial property: strategies for compliance and beyond

Shawn Galliers Shawn.Galliers@ingletonwood.co.uk

Following a recent presentation at ACES Eastern Branch, which was followed by many practical questions from members having to deal with the complexities of MEES, Shawn agreed to format an article which might help answer some of these knotty issues.

Time is running out for commercial landlords to ensure existing leases meet tighter energy efficiency rules coming into force in April 2023, or risk fines of up to £150,000. Currently, landlords granting new leases for commercial premises must hold an Energy Performance Certificate (EPC) rating of E or above, unless registered as exempt, under the Minimum Energy Efficiency Standards (MEES) which was implemented in April 2018. The current rules do not apply to existing leases.

So, what is the MEES, what is changing and how does it affect landlords?

- The MEES was introduced in March 2015 by the Energy Efficiency (Private Rented Property) (England and Wales) Regulations 2015
- The MEES Regulations originate from the Energy Act 2011 which contained the previous coalition government's package of energy efficiency policies including the Green Deal
- Buildings run from A to G – F and G are the worst - the new law essentially introduces a minimum standard of E which means a building cannot be let out until the standard is met. (The MEES also covers sale of a building as well)
- There are thousands of buildings that will be affected.

The key dates for implementation of the requirements are shown below, with the new leases and extensions already coming under the requirements.

- 1 April 2018 – no granting of new/renewal/extension leases
- 1 April 2023 – enforcement applies to all active leases.

But if as a landlord you are looking just to complete the bare minimum to meet these regulations, there are already designs to tighten the current requirements. Under current government plans, the thresholds may rise again to a C rating by 2027 and a B rating by 2030. This is currently under consideration only and not confirmed, but well worth watching for future changes.

Which buildings and tenancies does MEES apply to?

Working out if a building and tenancy are caught within the scope of MEES is not always straightforward and it is probably easier to consider what buildings and tenancies are not within the scope. MEES does not apply to:

- buildings which are not required to have an EPC, such as industrial sites, workshops, non-residential agricultural buildings with a low energy demand, certain listed buildings, temporary properties and holidays lets

- buildings where the EPC is over 10 years old or where there is no EPC
- tenancies of less than 6 months (with no right of renewal)
- tenancies certain of over 99 years.

Clarity about listed properties

The position in relation to listed properties, EPCs and the MEES regulations is currently unclear, but considerations to determine their position include:

If they are legally required to have an EPC. All buildings that are legally required to have an EPC come into the scope of the MEES regulations. This is generally due to the MEES regulation being brought into effect as a method of policing the requirement for EPCs and then providing a mechanism for improving a building's energy efficiency, in line with government targets for carbon reduction and net zero emissions, currently legislated for 2050.

For listed buildings, though, government guidance also states that:

'An EPC is not currently required for a listed property or building within a conservation area when it is sold or rented in so far as compliance with minimum energy performance requirements would unacceptably alter its character or appearance.'

Note, however, that in order to determine what energy efficiency measures could be incorporated into the building to improve the EPC rating in compliance with the MEES regulations, would require an EPC to be produced. Only then could it be determined if the energy efficiency measures could be undertaken and the MEES compliance confirmed.

Clarity for local authority and public body landlords

The following tenancies are all common for local authority landlords and also subject to MEES (Commercial Properties):

- Leases granted for a premium (whether with or without a rack rent)
- Leases granted for nominal rent (i.e. peppercorn)
- Reversionary leases (those granted to commence on a future date which confer no right to immediate occupation).

EPC requirements, 10-year validity and MEES

The following considers the MEES requirements and application for four different scenarios, and can be found in "The Non-Domestic Private Rented Property Minimum Standard" produced by the Department for Business, Energy & Industrial Strategy:

<u>Scenario one:</u> A landlord intends to let a property on a new lease from April 2018: If the property already has an EPC which is less than ten years old then this EPC can be used to let the property. If the EPC is more than ten years old, or if there is no EPC, then the landlord will be required to obtain a new EPC to market and let the property. If that EPC shows an energy efficiency rating of F or G then the landlord will need to carry out sufficient energy efficiency improvement works to improve the property to a minimum of E (or register a valid exemption if applicable) before issuing a tenancy agreement.

<u>Scenario two:</u> A property let on a ten year lease with an F rated EPC obtained, as legally required, in 2015: On 1 April 2023 the landlord is continuing to let the property and will have to comply with the minimum energy efficiency provisions because there is a valid EPC which the landlord was required to obtain (the EPC will continue to be valid until 2025).

<u>Scenario three:</u> A property let on a twenty year lease with an F rated EPC obtained in 2012: On 1 April 2023 the landlord is continuing to let the property but in this scenario will not be captured by the minimum energy efficiency provisions because the EPC expired in 2022, and there is no legal requirement on the landlord to obtain a new one at that point (because the tenancy is ongoing). The landlord will only be required to obtain a new EPC (which will trigger a need to comply with the minimum energy efficiency provisions) if they intend to re-let the property (to the current tenant, or to a new tenant) once the current lease expires, or if they (or their tenant) modify the property in a manner which would require a new EPC.

<u>Scenario four:</u> Based on scenario three, if the tenant in 2025 wishes to sublet the property, the tenant (who will become a sub-landlord) will be required to obtain an EPC to market the property. If this EPC shows an F or a G rating then the landlord will need to comply with the minimum energy efficiency provisions because the property now has a valid, legally required, EPC

<u>Note:</u> Landlords will wish to be aware that the methodologies underpinning EPC calculations are updated periodically (the methodology is called the Standard Assessment Procedure, or SAP). This means that, depending on the characteristics of a particular building, or unit within a building, the EPC band may change irrespective of any improvement works undertaken. Therefore, even if an EPC for a property is current (i.e. less than ten years old), the landlord may wish to obtain advice as to the rating that would apply to the building if an EPC were commissioned, before deciding on a particular course of action in relation to minimum standards compliance.

<u>The scenarios confirm that if there is a legal requirement for an EPC, then the building falls under the scope of the MEES regulations.</u>

In the case of scenario one, an existing EPC can be used, but only if it is an E or better rating; if no EPC is available, one has to be produced with a rating of E or better.

In scenario two, there is a valid EPC when the regulations update on 1 April this year, so if this is below an E rating, then energy efficiency measures need to be identified and implemented to improve the EPC to an E or better rating. Note that if the existing EPC was already an E or better rating, no action would be required.

EPCs are valid for 10 years and there is no requirement to renew them when they run out after that period, unless a building is being let or sold. Scenario three looks at what happens when an EPC has expired, when the regulations update on 1 April this year. <u>The simple answer is nothing!</u> As the EPC has expired, and there is no legal requirement to renew, the building does not come into the scope of the MEES and nothing is required.

Scenario four then takes the previous scenario a little further; the fact that the building is to be sublet triggers the legal requirement for an EPC, which then brings the building into the scope of the MEES regulations, and as stated, if the rating is below an E, then energy efficiency improvements are required to improve the rating.

The note under the scenarios is an important one. As regulations change and are updated, i.e. Part L of the building regulations, constantly making improvements, then the resultant EPC produced could be worse than originally for the same building, so the rating could drop over time.

Are there exemptions?

As noted above, there are occasions when owners of listed buildings will not be required to implement the identified energy efficiency measures, but what other exemptions are there? When can a landlord let a building with an EPC rating below an E?

Time based leases

It was noted above that there are buildings that do not come under the scope of the MEES regulations on the basis of lease terms and these are very short tenancies of less than 6 months (with no right of renewal) and very long tenancies certain of over 99 years. Technically this is not an exemption, as in this case the MEES does not apply.

Economic

The 'Golden Rule': where an independent assessor determines that all relevant energy efficiency improvements have been made to the property, or that improvements that could be made but have not been made, would not pay for themselves through energy savings within seven years.

Note that there are numerous examples of "relevant" energy efficiency improvements which include double-glazing and other fabric insulation improvements, heating, hot water services and pipework insulation which all need to be considered; wall insulation measures are not required where an expert determines that these would damage the fabric of the property.

Devaluation

Where an independent surveyor determines that the relevant energy efficiency improvements that could be made to the property are likely to reduce the market value of the property by more than 5%.

Third party consent

Where consent from persons such as a tenant, a superior landlord, or planning authorities has been refused or has been given with conditions with which the landlord cannot reasonably comply.

Exemption requirements/limitations

- Any exemption under the economic or devaluation requirements must be determined by an independent assessor - they cannot be determined by the landlord
- Exemptions must be registered on the central government PRS Exemptions Register
- Exemption are valid for five years only and cannot be transferred to a new landlord.

Examples that could apply to local authority landlords

Some areas requiring clarification includes those miscellaneous buildings held by local authorities but not let primarily for commercial purposes. If a local authority grants a 99+ year lease of a building (probably a peppercorn rent) to:

- Community group – The MEES regulations concerns buildings and their being either let or sold, the trigger for the legal requirement for an EPC, which in turn triggers the MEES requirements. It does not differentiate between tenants or the type of tenant. Because the lease in this case is certain of 99+ years the MEES regulations do not apply
- Group providing community services and the lease contains a break clause – In this instance, the MEES is not concerned with who the tenant is, but as the lease now is not certain of 99+ years, as it contains a break clause that could be used to shorten the lease, the MEES regulations do apply
- Peppercorn rent – A peppercorn rent is a nominal rent and as noted above, the MEES regulations cover leases of nominal rent, it does not distinguish between rental values or rent paid.

Granting of a 99+ year lease without a break clause would therefore mitigate against requirements under the MEES regulations, but there are negatives to this, in that both parties would have to be certain of a very long-term relationship and need for the lease or building. Assuming the parties were both happy with the long-term relationship, is there any issue with a very long lease on a building that may not last that long? And if not, are there ways to get some form of control into the lease without creating a break clause?

In terms of the building condition, any building can be let for any length mutually agreed by the parties, and often leases are for 'land and buildings'. If they are fully repairing and insuring, then the tenant would be responsible for repair and renewal. Or, if the lease is only for internal parts, then ordinarily the lease would require the landlord to repair (or rebuild when necessary) the overall building.

In terms of inserting control into a lease without triggering the requirements, there are negative covenants, but these may not ensure the building is used for the intended purpose. Alternatively, permission for the chosen use could be given and confirm the planning use class to restrict and provide a wider service agreement between landlord and tenant regarding the nature and continuation of the community uses. Gifting the building and leasing on the basis of the land only may also be possible as the MEES considers the building and its energy use, but in this instance it would be strongly recommended that legal advice is sought and/or discussion with the local authority responsible for the MEES regulations enforcement.

What are the risks for landlords?

Landlords are likely to be the most affected parties because the key obligations and restrictions in the MEES Regulations fall on them.

- It will make some properties illegal to let unless they are upgraded to meet the minimum standards. It is estimated that approximately 20% of non-domestic properties are in the 'F' and 'G' rating brackets
- Valuations of such properties could be affected if their marketability is diminished
- Rent reviews for properties in this situation could also be affected

- Implications for dilapidations assessments may also exist.

In addition to these, there are also penalties for non-compliance, based on the period of non-compliance:

- less than 3 months' non-compliance: up to 10% of rateable value capped at £50,000
- 3 months or more of non-compliance: up to 20% of rateable value capped at £150,000.

What are the opportunities for landlords?

There are, however, opportunities for landlords to engage with tenants to enter green leases, where the environmental management and costs of the property, such as energy efficiency improvements and utility bills, are shared for the benefit of both parties.

There are also opportunities to explore the potential to increase rental and asset value through making energy efficiency improvements and combining these with other refit upgrades; the MEES requirements could become part of the capital and/or maintenance programmes.

Suggestions for implementing the MEES regulations

The main suggestion would be to review properties within the portfolio to identify what is going to be needed to meet the requirements and then set up a plan of works to meet these requirements, both now and in the future (with the potential further increases in requirements to Ratings of C and then B).

Many local authorities and other organisations have declared a climate emergency and have set targets to achieve net zero, so the requirements under the MEES regulations could be incorporated into, and used towards, any net zero targets and commitments, and then feed all the works into the planned maintenance and capital works programmes.

Engaging with an assessor can help with all this and also look at software variations and updates to confirm buildings are still compliant (EPCs can be produced without lodging them, so you get an understanding of where you are without having to make it official).

It's likely that you will need to commission feasibilities to obtain all the relavant information, in order to define the plan and then design and deliver the works, and of course, there are funding opportunities associated with decarbonisation and energy efficiency (Public Sector Decarbonisation Scheme for example).

With the clock ticking to ensure all leased commercial premises – both new and existing – are rated E or above by April 2023, and knowing that achieving compliancy is not a quick or easy process, such as boiler replacements and roof insulation, we are encouraging landlords to take action now. Therefore, this could prove to be a timely opportunity for landlords to achieve long-term security and future-proof their premises, while making them immediately more sustainable, valuable, and more attractive to tenants, prospective buyers and investors."

For more information, visit www.ingletonwood.co.uk , a leading multi-disciplinary property and construction consultancy with offices in Colchester, Cambridge, Norwich, Billericay, Oxford and London.

Johnny, Partnerships Manager, recently joined Previsico to manage and drive partnerships across the UK and US insurance markets. He has experience working in the InsurTech space, having previously been the UK Head of Insurance and Business Development at Getsafe, and an Operations Manager at InsurTech Unicorn, Zego. Johnny holds an MBA from IE University in Madrid.

FLOOD RISK MITIGATION Four steps towards effective flood risk mitigation

Johnny Stubbs johnny.stubbs@previsico.com

Johnny agreed to write this article after making a virtual presentation at an Eastern Branch meeting. He was able to outline the scale of risk for commercial and residential property owners and the technology available to mitigate these risks.

Flooding is one of the world's costliest and most destructive natural hazards. With climate change and urbanisation acting as an accelerant to a range of different types of flood impacts, it is more vital than ever that organisations work together to mitigate flood risk. Serious damage can be caused to an organisation's property, contents, production and its ability to trade. To make a real impact in managing flood risk, a mix of proactive planning, cutting-edge science and practical action is needed.

Beyond river and coastal flood defences

The UK government has committed to

pressing ahead with its record £5.2bn investment in flood defences between 2021 and 2027. However, in a recent article entitled "Adapt or Die" Emma Howard Boyd, the Chair of the Environment Agency, warned that flood defences alone will not be enough. *"While mitigation might save the planet, it is adaptation, preparing for climate shocks, that will save millions of lives,"* she said.

Surface water is the UK's largest flood risk

According to the Environment Agency, there are 5.2 million properties in England at risk of flooding, with 1 in 3 business premisses also at risk. Flooding has wide ranging impact beyond the initial cost, with long-term mental health problems up to nine times more likely for flood victims. The impacts on wider communities are stark, with recent analysis showing that 40% of SMEs never reopen following a flood.

For property managers, when a flood event occurs, they have the responsibility to repair the property which, aside from the enormous cost and time implications, is highly disruptive and stressful for tenants. Flooded properties also pose a significant health and safety risk. It is becoming increasingly vital for council and housing association operational teams to respond quickly to mitigate damage. However, the majority of flood impacts can be mitigated using four key steps as outlined below.

Effective flood risk mitigation

There are four key steps to effective flood risk mitigation:

1. Firstly, it is vital to understand the risk profile of assets in the fight against flooding. This information can be retrieved by a risk assessment
2. Secondly, an action plan needs to be in place, so that in the event of a flood, everyone involved knows what to do. Guidance for this can be found on the government website: https://www.gov.uk/prepare-for-flooding/future-flooding
3. Once the risks are understood and a plan is in place, it is important to invest in resilience measures to minimise the risks as much as is feasibly possible. These can be temporary flood defences such as flood gates, non-return drain valves, or flood-proof air bricks
4. With all of these three things in place, the fourth ingredient is flood warnings, using the most accurate weather forecasts available, combined with cutting edge data science and on the ground sensor devices. Those recommended by Previsico are able to predict the time and depth of flooding down to property level, with up to 48-hours'notice, enabling property owners and residents to respond with their flood action plans.

Considerations for property managers and owners

For property and estate managers, the main barrier, until now, has been a lack of access to appropriate, accurate and cost-effective technologies to predict and prevent floods, specifically affecting council and housing association properties and estates.

Even though most UK residents are well aware of the risk of flooding in principle, only a third of those at risk of flooding in England believe their property is at risk. Further, many are unaware that the average cost of flood damage to a home is £32,000. The average commercial loss is £70,000.

Now is the time to take action with these four vital steps which can make a real difference to mitigating flood risk for you and your business.

Previsico

Previsico provides real-time, property-level surface water and watercourse flood forecasts to enable people and organisations proactively to reduce the effect of flooding, using proprietary live hydrodynamic modelling software and sensor technologies to help mitigate flood-related impacts. Previsico's technology is underpinned by over two decades of published research, with state-of-the-art forecasting drawing on several leading data sources and utilising cutting-edge sensor technologies. https://previsico.com/references/

Paul is head of Trowers' subsidy control team and a partner in the firm's Public Sector Group. He has almost 30 years' experience of advising the public sector on subsidy, property, regeneration and commercial transactions, including a period as a local authority's interim Director of Legal and Governance.

PROPERTY MARKET FAILURES Surprising public sector market powers in the Levelling Up and Regeneration bill

Paul McDermott PMcDermott@trowers.com

Paul outlines two proposals which would give councils more powers to rejuvenate vacant properties in ailing high streets, and to limit air bnbs in areas which distort local housing markets and lead to local people being priced out of their areas.

While much attention has been given to the bill's proposals for new County Combined Authorities, planning reform and the infrastructure levy, the bill also contains some potential public sector tools to deal with property market failures.

For public sector property professionals may have to gear up for a more interventionist approach to shape both high street commercial property and 'holiday let' markets.

High street commercial property

Part 10 of the bill provides an interventionist mechanism for local authorities, subject to conditions, to promote active centres. The bill gives powers to councils to take steps to promote the letting/use of certain high street premises. Uses covered in the bill are retail, offices, pubs, restaurants, bingo parlours, communal halls and factories (Qualifying Premises).

To rely upon this mechanism, a council will need to designate an area as a high street for the bill's purposes; on the grounds that the area is important to the local economy due to its related uses. Once an area has been designated, Qualifying Premises become potentially subject to the interventionist mechanism if:

- they are vacant; and have either been unoccupied for a period of a year and a day
- or have been unoccupied in the previous two years for at least 366 days.

Councils have a discretion about taking action; the bill does not require them to do anything.

If an authority decides to take action, it may serve upon the landlord of Qualifying Premises an Initial Notice. To do this, the authority has to conclude that the occupation of the vacant premises for a high street use is beneficial to the local economy, society or environment. In practice this may be a relatively low threshold, particularly where a town centre is subject to many boarded up premises.

The effect of an initial notice does not prevent the landlord from seeking to procure a tenant; rather, it must seek the consent of the local authority to grant a property interest or other agreements which might have a similar effect. This is in effect a warning that if the landlord does not let the premises, the council might take more interventionist measures.

Part 10 of the bill doesn't give a council unfettered discretion to refuse a letting proposal made by the landlord. Though it may reject a proposal if the tenancy or period of occupation would begin more than within a period of eight weeks, or if the term is less than a year. The landlord may also have to satisfy the local authority that the proposed tenancy or licence would likely lead to the occupation for a high street use.

Part 10 becomes much more interventionist (than I have seen in English legislation) if, after receiving an Initial Notice, the landlord does not let. In these circumstances, a council may issue a Final Notice which triggers further restrictions on the landlord. The landlord is restricted from carrying out (or permitting carrying out) work without the written consent of the relevant local authority.

If the landlord does not co-operate, then Part 10 ultimately gives a local authority power to "contract on behalf of the landlord" and make a letting of vacant high street premises. Part 10 provides that any such tenancy arrangement is intended to be temporary, and is excluded from the Landlord and Tenant Act. The bill gives the Secretary of State power to make detailed regulations for this Part. The bill encourages councils to consult and work with landlords wherever possible. and I suspect regulations will discourage councils from taking unreasonable stances in using Part 10 powers.

The landlord would also have a right to appeal against a Final Notice, either on grounds of technical deficiency, or if a council had failed to consent to a landlord's reasonable proposal to let that property. The landlord's intention to carry out substantial works of construction or demolition which required it to obtain possession would also be a ground for appeal.

Ultimately, this is a "nuclear option" (rather than a tool of first choice). It's designed to provide local authorities with a stick to use where absentee landlords are indifferent or adverse to letting properties (i.e. where rent levels are below their expectations).

'Holiday let' markets

Part 12 of the bill signals a similar interventionist approach to short lets of residential properties. This will enable the Secretary of State to make regulations which would require the registration of specified short term rental properties in England.

The provision is clearly aimed at holiday lets (the Airbnb warning provisions). The Secretary of state will designate which public bodies are required to maintain this register. It will be interesting to see if this task is given to principal councils, combined authorities or an English-wide agency.

Clause 210 of the bill will enable regulations to deal with the circumstances under which a residential property must be registered for short term lets; applying conditions to such registration; prohibitions on making short term lets if certain properties are not registered; together with enforcement and appeals procedure.

In some respects, the clause reflects steps taken in other parts of the world to prevent short-term holiday lets distorting local housing markets, which leads to local people being priced out of their areas.

The Bill is currently passing through the committee stage of the House of Lords and is likely to receive royal assent by the end of spring.

Malcolm is ACES Course Coordinator; Neil Webster is ACES' Head of Engagement. Both are members of ACES' Council.

Mark Poppy has an MBA and is an alumni of the Ashridge Business School Advanced Leadership Programme. He has worked at a senior level in both the public and private sector as well as a government backed advisory company. He has extensive experience of public private partnerships and the commercialisation of public services. He manages CIPFA's property training programmes and advises on wider property issues.

STRATEGIC ASSET MANAGEMENT Collaborative approach between ACES/CIPFA – A success story for the Diploma in Strategic Asset Management

Malcolm Williams

This article outlines the history and success of the collaboration between ACES and CIPFA to run the modular Diploma in Strategic Asset Management, calling on Mark Poppy of CIPFA and Neil Webster of ACES to comment on the course.

Evolution of a course for public sector asset managers

The course is now in its sixth iteration and as I write this article, by July 2023, 177 candidates will have completed the Diploma in Strategic Asset Management.

It has had a long gestation period and the need for a better understanding of the principles of strategic asset management in the public sector was first mooted in 2012 with a chance conversation between the then president of ACES Heather McManus and a senior lecturer from Leeds Beckett University.

I volunteered to coordinate ACES approach with the university and produced a broad outline/skeleton of seven modules which could form the basis of a distance learning course for post graduate students. Over a number of months, the content was refined and finessed. The course was approved by both the faculty and the academic board of the university, but the appointment of a new Pro-vice Chancellor put the course on the back burner.

A second approach to offer a course was pursued with Sheffield Hallam University in 2017 and, although there was interest, restructuring and budgets adjustments meant that the potential course was again put on the back burner.

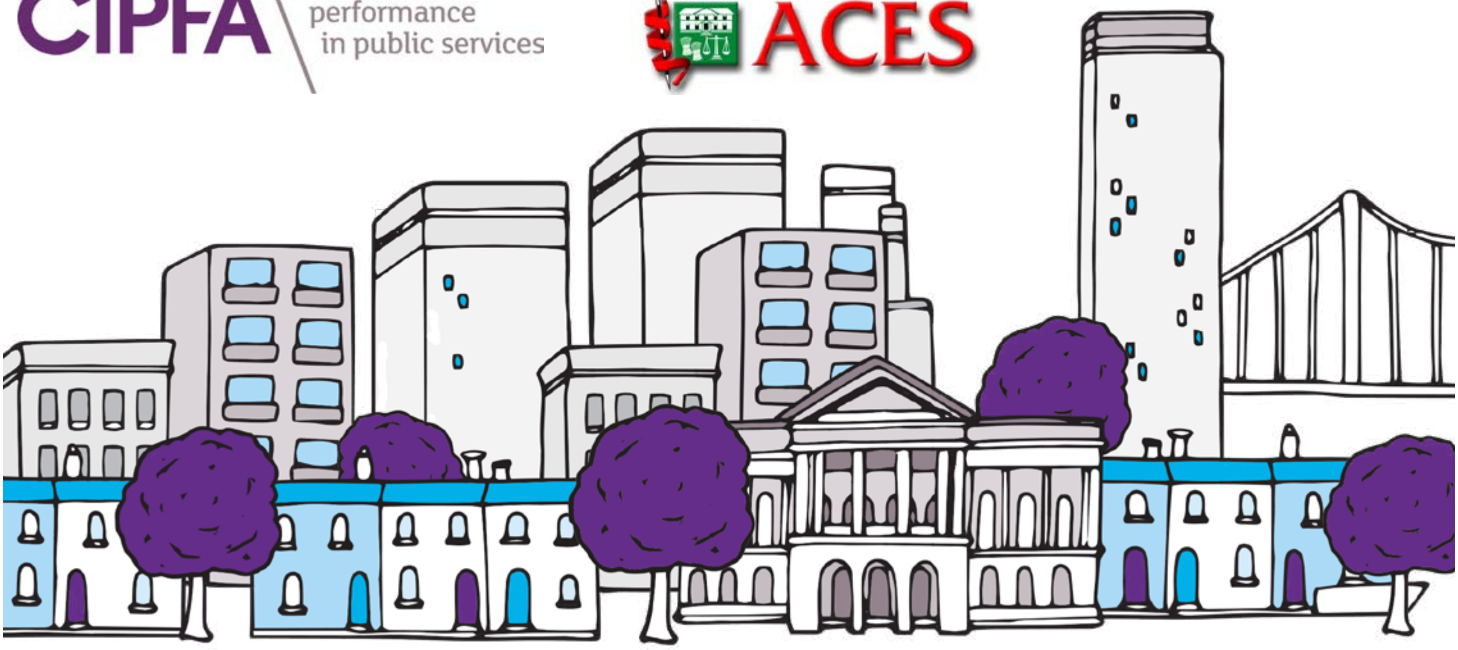
In late 2019 ACES' members Neil Webster and Jeremy Pilgrim were having a conversation with a number of CIPFA colleagues who were in the early stages of thinking of offering a course in strategic asset management to the public sector.

Neil said that ACES had a course that, although not quite oven ready, was certainly one that could form the basis of a collaborative approach to bringing a suitable course to the marketplace.

Over a number of months the course content was further refined by CIPFA and ACES members, to offer a product to the marketplace that provided a recognised

CIPFA performance in public services

ACES



Diploma in Public Sector Asset Management

As a result of a protracted period of austerity in our economy and particularly in the public sector, key knowledge, skills and experience have been lost in property and asset management teams across the UK.

With little in the way of practical and bespoke training directed at the public sector asset management professional, CIPFA Property and the Association of Chief Estates Surveyors (ACES) have designed a modular diploma that seeks to deliver the skills and knowledge in those key areas of public sector asset management identified as requiring the greatest support:

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

Who should attend

The diploma is an ideal qualification for a range of staff who may be involved in Property Asset Management within a public sector setting. These include but are not limited to:-

- Property Staff new to the public sector or new to Asset Management
- New starters with little or no previous training
- Staff in other areas who may be involved in strategic property activity i.e. finance professionals, key clients from services, etc.
- More experienced property staff who have specific knowledge gaps or would like a more comprehensive understanding of this area.

How will the diploma be taught?

Whilst the diploma can only be attained by completing all 7 modules and successfully passing the end of course examination, each module is discreet and can be taken independent of other modules to help fill specific knowledge gaps. The course can be completed through online webinar training or via face to face classroom based teaching at locations around the country, or through a mixture of both.

How will the diploma be assessed?

Short confirmatory assessments will be completed at the end of each module to ensure students have understood the module content. At the end of module 7 a full written assessment will be completed covering all elements of the course.

What will be the cost of the diploma?

The cost of each module will be £400 for CIPFA Property Network Members and ACES members. For non-members each module will cost £500.

Network Members—£2,800+VAT for the full Diploma

Non Network Members—£3,500+VAT for the full Diploma

For a copy of the course syllabus please contact Keeley Forsyth, Property Business Support Officer at keeley.forsyth@cipfa.org

diploma via CIPFA accreditation status. The 7-module course was designed and targeted at property professionals and service managers.

To offer maximum flexibility, single modules could be undertaken to enhance or fill gaps in people's skill base/ understanding.

A formal business arrangement was entered into via a memorandum of understanding between the parties regarding basis of profit share, marketing, presenting, course adjustments and the furnishing of case studies/best practice for the final module.

The course goes live

Covid has meant that the whole diploma has been run and presented online, which in hindsight has probably appealed to an even larger audience.

The first iteration of the course was run September through to Christmas 2020, with ACES and CIPFA colleagues collaborating to present each module.

The course received favourable feedback from the participants and after each iteration of the course, a detailed review wash-up session was undertaken to see if improvements could be made to delivery and the course content.

The course initially drew interest from predominantly local government, but is now finding traction with a wider audience from central government and the emergency services.

How is it for you?

From my point of view as ACES course coordinator, the success of the course has certainly exceeded my expectations and last year I did a "how was it for you piece" in ACES' Terrier with an ACES member who had just completed the diploma [Ed – see 2021 Summer Terrier].

I have now carried out a similar exercise from the other side of the table by asking Neil Webster and Mark Poppy, ACES and CIPFA respectively, "how is it for you" as presenters and course organisers:

Malcolm - the course has exceeded my expectations. Has it for you and what do you put that down to?
Neil – Definitely. I had high hopes for the Diploma, but the number of people and the frequency of sessions is beyond my initial "targets".
Mark - I agree; the variety of participants from across the public sector and abroad has really been a positive point.

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Malcolm - From your point of view, what do you think is the most important experience/thing a student can take away from this course and conversely, what do you think you have gained/taken away from presenting the course?
Neil – While the technical content is very useful, I think the sharing of issues candidates are facing in their current roles is very helpful to them. It is at the heart of what ACES does. In terms of presenting, the converse is I get to hear what the issues are and can tailor the course accordingly, making it as relevant as it can be to today's challenges.
Mark – The course covers both operational and strategic content and is brought alive by the real life contribution by the delegates which really adds to the richness and depth of the course. For us at CIPFA, it provides a useful insight into what the key issues are on the ground and therefore help shape our offers to the public sector. The final assignments are fabulous case studies for us.

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Malcolm - The success of the course points to a market need you appear to be filling. Do you think active marketing or word of mouth has borne the most fruit?
Mark - Joint working has provided most of our students, often through word of mouth and repeat business from organisations. Going forward we will need to embrace social media more and encourage participants to be marketing ambassadors for us.
Neil – Seems a combination of the two. The ACES and CIPFA networks are very strong, so we reach a lot of people just by candidates speaking about the course. However, CIPFA, supported by us, has been very focused on marketing the Diploma beyond our traditional markets, including reaching overseas.

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Malcolm - There has been an initial good take up/response from local government to put employees through the diploma course and latterly you are getting more traction from central government. What would you say to central government personnel on why this course could be of benefit to their employees?
Mark - We are now seeing delegates from housing, education, police and central government, but we believe more delegates from these sectors would only strengthen the diploma for those attending, and supporting them in their day job. I would say it provides delegates with skills, tools and an experience that can be translated immediately into the workplace. The final assignment is a very practical example of this.
Neil - You are right that our initial focus was local government. However, my part of the course covers asset management today, collaboration and sharing. This is equally as relevant to central as it is to local government - in fact the whole of the public sector. In today's climate, central government needs our lens to see what's happening in asset management at a local level and how this might impact on policy. There are also more collaborative projects, including those supported by One Public Estate funding.

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Malcolm - How important do you think the joint washup sessions have been?
Mark - It allows us to reflect on how the previous cohort has gone, but also allows us to see what changes are required for the next. It allows us to share market intelligence and new thinking. It is a key element and now we have moved them to face to face, it has really strengthened the relationship between ACES and CIPFA.
Neil – Very much part of our continuous improvement process. While the format and content is very good, there are always tweaks we can make to give candidates relevant content and an enjoyable experience.

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Malcolm - Have you got any other ideas fermenting regarding other collaborative approaches to bringing courses forward where you think there is a need to upskill local and central government.
Neil – We have been approached recently to consider adapting part of the course for the public housing market. It is early days, but it just shows how relevant the course is to various parts of the market.
Mark – Although key elements of the course are appropriate to all aspects of the public sector, we are aware that we need to ensure the content and material is applicable. For example, we now use someone from the blue light services to deliver module 2 and we are in discussion with governing bodies in housing and education.

Module outlines

1. Strategic Asset Management Organisation
This module introduces the role of strategic asset management in the public sector and identifies its vital importance in delivering a fit for purpose public estate. It will explore the principles of asset management; the linkages between corporate policy and asset management; the role of governance in making effective decisions and the importance of strong relationships between the property function and other parts of the organisation.

2. Development of Documentation and Asset Management Challenge
This module introduces the concept of a structured approach to developing an asset management policy, strategy and action plan. In addition, it explains the need for and development of robust asset challenge processes and procedures using a step by step approach.

3. Business Case Development and Option Appraisal
This module explores the importance of well developed and robust business cases related to asset management initiatives. In covering how to develop a business case it will explain the role of option appraisal; assessment of risk and sensitivity; capital prioritisation; price and quality evaluation techniques and an introduction to whole life appraisal.

4. Capital Projects and Maintenance
This module leads you through the pre and post contract process ensuring a firm understanding of how to approach the market and manage the team and their delivery and subsequent evaluation of projects. In addition, it explores the role of condition assessment in establishing maintenance need and the related importance of prioritised budget development for both planned and reactive maintenance.

5. Data and Performance
This module explains the need to measure performance and suitability of our assets. It will explore specific performance indicators, how and when they should be selected and used, and ways in which different reporting and monitoring models can be developed. It introduces the concept of social value and its measurement as well as providing an overview of data systems available for asset management purposes.

6. Operational vs Non-Operational Property
This module covers the various types of operational property asset, their importance from a strategic perspective and the key considerations to be taken account of when developing and implementing an asset management policy, strategy and plan such as office strategy and workspace planning. It explores types of non-operational property including tenanted non-residential property and investment assets looking in particular at the development of commercial property investment approaches.

7. Asset Management Today
This module places asset management in the contemporary environment through the exploration of current issues and factors in today's society. It will detail the way in which external factors such as climate change, sustainability, pandemics and politics all have an impact on an approach to effective asset management. Through case study examples it will highlight various service delivery models and the ways in which collaboration can overcome many of the challenges we face in providing today's public sector estate in good order.

Shane Galvin (left) and Clive Ball at Cardiff City Hall

Clive is Head of Property at NHS Wales Shared Services Partnership - Specialist Estates Services. He is also Chairman of the Welsh Branch of ACES.

USW Real Estate course

Clive Ball clive.ball@wales.nhs.uk

Clive here outlines a much needed general practice surveying course launched in 2023. ACES' members attending the Annual Meeting in Cardiff in November 2022 were given a taster to the course by Clive and Shane Galvin, Head of Subject – Built Environment & Civil Engineering, University of South Wales, which at that time was still being kept under wraps.

After a gap of almost 20 years, following the closure of the Property Management & Valuation degree course at the then University of Glamorgan in the early 2000s, a BSc (Hons) Real Estate degree will commence in September 2023 at the Treforest campus of the University of South Wales (USW).

The University of Glamorgan and its predecessor, the Polytechnic of Wales (the 'College of Knowledge') had a long tradition of surveying and built environment courses and produced a great many of the general practice (GP) chartered surveyors currently working in South Wales.

There are several flexible options available to study the course, namely:

- 3-year full-time
- 4-year full-time with a sandwich placement year
- 5-year part-time (including via the Network75 scheme)

All these options can be accessed directly or via a foundation year.

The Network75 scheme is unique to USW and comprises a combined work placement and part-time study route to a degree, allowing students to Work, Earn and Learn! Network75 students are able to apply their academic knowledge to real-life work within their host company (which pays the student's tuition fees and an annual bursary), gaining the necessary skills, experience and qualifications that are highly sought after by industry. The Network75 scheme enables students to graduate with a degree, 5 years' work experience and no student debt!

It is hoped that the creation of the Real Estate course will start to deliver a new generation of GP chartered surveyors to help address the chronic shortage, and aging stock, of GP chartered surveyors in South Wales (caused by the 20-year absence of such a course), which has made recruitment in both the public and private sector so difficult in recent times.

The Real Estate course has come about following an approach to USW by Clive Ball, after he discovered that USW was developing a Building Surveying course. An encouraging response to his initial approach led to the establishment of a working group, a survey of the public and private sector (to evidence demand) and the development of a business justification case, which was approved by USW in autumn 2022 and USW validation of the course in March 2023.

An Industry Advisory Board was subsequently established to help shape the course modules and their content in response to what the industry and profession needs, together with the aim of establishing links between USW, the course, and the industry/profession in Wales. The course is also being designed in discussion with the Royal Institution of Chartered Surveyors, with an application for RICS accreditation to be submitted during 2023.

Funding has been obtained from Welsh Government's Asset Collaboration Programme Wales (Phase 3), via Ystadau Cymru, to promote the course via an internet and social media campaign; additional promotional materials are being produced in order to attract students onto the course, so as to make it viable.

You can find out more about the course at:

- The USW website - BSc (Hons) Real Estate | University of South Wales
- The UCAS website - https://digital.ucas.com/coursedisplay/results/courses?searchTerm=real estate&pageNumber=2
- The Network 75 website - Degree Courses | University of South Wales

Graham is part of the RICS UK & I Candidate Support team whose role is to ensure enrolled candidates on all routes to membership understand the requirements of the RICS and are prepared for the assessment, as well as offering a suite of additional resources to support their progress and well-being.

RICS APC The RICS assessment interview

Graham Brooks gbrooks@rics.org

Graham gives some practical advice about preparation for the APC assessment interview and what to expect at the interview. There are also some best practice tips which might help.

We're at that time when many RICS candidates have reached the point it all leads to, the assessment interview. For many, this is the end of a long process where you have one hour to present the sum of your knowledge, skills and experience to a panel of peers who will decide if you meet the standards to be granted chartered surveyor status. So not a lot of pressure!

While we would love to say there is a magic formula to passing the RICS assessment, we can't. The holistic nature of the assessment means it is a very individual thing: success depends on you. However, based on our experiences supporting thousands of candidates each year, plus feedback from those who have been through the process, and our assessor community, there are some best practice basics to share that may help you as you ready yourself for the big day.

Preparation

Know your submission. Based on feedback from our assessor community, you'd be surprised how many candidates come into the interview who don't. It's the only document the panel has to go on and if you've written about it, it's fair game for a question to be asked.

Practice, practice, practice. If there are opportunities for mock interviews, grab them. Rehearse your presentation by yourself, and with other people. As cringe as it might be to watch, record a video of yourself delivering it. Our friends at LionHeart can also offer presentation practice sessions offering advice on your style and managing nerves, so do reach out.

Revise but don't drown yourself with information. You should have strong and relevant knowledge that relates to your role, but no one is expecting you to recite every single guidance note and piece of legislation cover to cover.

Use your support networks. Keep in contact with your counsellor, supervisors, and mentors, they're still there to give guidance. RICS also provides a wealth of resources to help you in your lead-up to the interview, including our 'Final countdown' online sessions, offering some prep tips, well-being advice and the chance to ask any last-minute questions [Ed – also use the ACES' network at branch level].

While preparation is essential, it is also important not to burn yourself out and over-prepare. The fact is you don't know what questions the assessors have for you until that interview starts, and attempting to predict every possible eventuality can overwhelm and lead you to lose sight of some of the fundamentals.

Presentation

The assessment interview opens with your 10-minute presentation. There are a lot of best practice hints and tips out there, but the best advice I can offer on this is to find a presentation and delivery style that you are comfortable with. This is your 10 minutes to present your best possible self and there is no one way to do this, so find a way that works for you.

The presentation can be delivered with or without visual aids; however, if used, the purpose should be to support and enhance your presentation, not as a shield to hide behind. PowerPoint can be a great aid, but assessors want to engage with you, not a slide deck.

We are commonly asked if scripts or cue cards can be used during the presentation. The answer to this is yes, but to stress again, the panel wants to engage with you, which is difficult to do with a head-down reading. If using reference notes, remember your focus should always be your audience, not a piece of paper.

Interview questioning

Following the presentation elements, the interview opens to a broader discussion of your experience, competencies, CPD, rules of conduct etc. From this point on, no crib notes or reference material can be used.

Let the panel lead the interview. It's an easy trap to fall into to try and steer the conversation into topics and areas you feel confident in and want to talk about. More likely than not, these will reflect the competencies that have already come through strongly and been achieved in the minds of the assessors. Listen and respond to the questions being asked: success depends on you providing the panel with what they're looking for.

The interview is very fast-paced, and you may be stopped abruptly at points. Don't take offence to this; chances are you've given the panel everything it needs. On the flip side, if an assessor is not moving on from a competency you may not be giving them enough; if you can recognise these moments, you can identify when to elaborate more.

It's not just what you know and what you can do, the panel is also looking for professionalism which comes through in how you respond. If you don't understand a question, don't be afraid to ask for clarity. If you don't know the answer, be honest, but don't leave it at 'I don't know'; expand on how you may go about finding the answer, for example. Consider how you would appropriately act if responding to a client. Remember, as a professional your behaviours are as important as the information you retain and the skills you have.

Ethics

Keeping on the theme of professionalism, RICS rules of conduct and ethical practice are vital aspects of being a chartered surveyor and therefore an important element of the assessment interview. It is also the one area which can result in an instant referral. You can write a cracking submission, smash your presentation, and be on point with your knowledge and skills during the competency questioning, <u>but if you cannot demonstrate good ethical practice and understanding when called upon, you will not succeed.</u>

In summary

There's no denying the fact the interview is an intense experience. The panel will challenge and expect high standards, but ultimately its objective is to bring out the best in you, so work with the assessors. Remember, unlike most interviews, you're not competing with anyone for a role; the opportunity is there for everyone to succeed; a goal shared from both sides of the interview table.

And If you don't succeed the first time, don't be too disheartened - you're not the first and you won't be the last. A referral should not be seen as a failure; often it's a case of 'almost there, but not quite ready yet' and the panel will provide feedback to aid you with your next attempt.

To all those preparing for the interview, the best of luck and don't forget we're here to help.

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.

MORE MUSINGS
You never know when the past will catch up with you!

Simon Eades

I've elevated Simon's article to the professional session of this Terrier as it fits seamlessly with the previous few articles.

The penultimate paragraph of my last article was: "that you never know when you are likely to meet up with someone or something from your past. The movement from private to public sector may suggest to some that "ever the twain will meet". Friendships made last for life and you never know when your past will catch up with you!"

Forty three years ago I had just completed the purchase of my first house. I was also waiting for my TPC result – for the second time! I had been unsuccessful six months earlier. Those of us of advanced age will recall the broad terms of the TPC – the completion of a 2-year diary and log book and the submission of a Critical Analysis on a topic of the candidate's choice.

I knew I was not successful in September 1979. The envelope was too thin and only contained paragraphs on the critical analysis. Crucially it did not contain the application forms for election as a Professional Associate of the RICS, but a short note inviting me to apply again.

The support I received at the office was from a colleague who had passed a year earlier and had started to assemble a selection of critical analyses from successful candidates. We sat down and – with his guidance - I rewrote the submission; one of the typing staff generously typed it for me and in due course, I delivered it by hand to Great George Street on the last day of receipt.

I had decided not to put in place a postal redirection when I moved. I was living at home before I moved and still called in to see my parents regularly. We were aware that the result would come out at the end of March. My diary at the time indicated that as the results were due I was taking part in the Young Farmers Debating competitions and the preparation for this kept my mind off the impending arrival of the RICS results.

The letter arrived on 1 April 1980. I woke early and telephoned my parents to see if the post had arrived. It had and so I drove home – my diary says warily – and saw the letter on the kitchen table. It was a different colour and thicker and contained the all-important forms. Breakfast with my parents was good that morning!

My forms were signed over the next two weeks and I was elected ARICS in May 1980.

Where does this lead to? It was clear that the expectation at the office six months earlier was that I should not have been referred. I was knocked for six at the time, but to this day the support I got from my colleague at the time contributed to my success six months later.

The following January, Continuing Professional Development (CPD) was introduced for all RICS members who qualified after that date, and I think this was a turning point. It was obvious that chartered surveyors ought to maintain their knowledge and I am sure that many did so before the introduction of CPD. However, the introduction of a formal process did put this on a higher plain.

I started to attend CPD meetings, whether organised locally or nationally, but it was not until some years later that it was suggested that I might consider becoming an Assessor for the Assessment of Professional competence (APC). I was organising a RICS Presidential Visit in 1997 and the GP Chairman, Mark Wightman, suggested that I should consider this opportunity.

I talked to one local assessor and spoke to the RICS and completed an application form. I was then invited to a full day seminar in Milton Keynes in September 1997. This highly intensive day introduced those attending to the basis of the assessment process and included video training. I drove home reflecting on how I had enjoyed the day.

The course was in September 1997 and in January 1998, I received what was to become a familiar invitation over the next 15 years to put myself forward for attending APC assessments at various centres. My visits were initially at Heathrow, but over the years I visited such places as Bexleyheath, Swindon, and Coventry. Once I was obliged to travel three miles to assess at Carrow Road, Norwich!

Over the years I subsequently become a RICS Panel Chairman and finally an Auditor. As I was to discover over time, these roles were all very different and the final role was, perhaps, the most rewarding, but it was the one that provided the most difficulties.

My first assessment was almost 25 years ago – as I write this musing – and I was instructed to attend the Holiday Inn at Heathrow. This was one of those airport hotels with a degree of uniformity and this one suffered from the problem that once there, it was difficult to go anywhere except by car. The assessments took place in bedrooms, normally on the fifth or sixth floors, and prior to the assessments taking place, the hotel had removed the beds and placed tables and chairs for the assessors.

I had received the candidate assessment papers four weeks before and started to read them carefully – this had been one of the principal instructions from the day at Milton Keynes; two weeks before, I was telephoned by the Chairman of the panel - a chartered surveyor member of the Lands Tribunal.

I assembled my questions and the previous afternoon I took the train to Heathrow, and after a meal at the hotel went to bed. The following morning, I met my other two assessors an hour before the first candidate knocked on the door. I remember he was extremely nervous – he was not the only one! The chairman said that if I was nervous, I kept the emotions under wraps and he assured me that he felt I had a future as an assessor! I have no recollection of the results that day, but I know I enjoyed myself.

I arrived home and my 10-year old son asked me where I had been. I said I had been working at Heathrow Airport. He immediately suggested that I had gone away to do some plane spotting. I knew it would be difficult to explain the full facts of the APC to a youngster and I decided that this was an appropriate alternative name for the assessment process, and I started to use it. Twenty years later when he was teaching in Berkshire, I telephoned him to say that I was going plane spotting - he knew what I meant, and I was able to see him the night before en route to the hotel.

I put myself forward for a further APC session six months later and recall that there was a lack of assessors, so I decided to do a second session four weeks later. This set the trend for the next year or so until I decided to do two consecutive days, with the opportunity to spend time with assessors.

I continued assessing until 2003 when I became a Panel Chairman. I decided from the start to keep a record of those with whom I sat and it provides an interesting list of chartered surveyors. I sat as an assessor 20 times, and 38 times as a chairman. I met some wonderful assessors during this time and each assessment day gave me greater knowledge of the process. The assessors came from all parts of the profession: private practice, central government, local authorities, and the commercial and educational sectors. It was this mix of assessors that made the assessments extremely interesting.

Some of these are no strangers to ACES. I met Bernard White in 1999 when I was first appointed to his panel. Many will know that Bernard is a keen cyclist [Ed – and he's written in ACES' Terrier on several occasions] and during an interval between assessments at Heathrow, he switched on the television to catch up on the Tour of Spain cycle race. Apparently, I was "a bit taken aback" but Bernard, ever the professional, returned to "Chairman mode" as the next candidate knocked on the door.

Over the years we assessed on several occasions, including one when he joined, at late notice, a panel I was chairing. Subsequently we both became APC Auditors.

In 2003 I sat on a panel as an assessor for the last time with a young chartered surveyor from West Sussex County Council. She told me that she was actually born in Norfolk and we discovered that she was taught French by my brother–in–law's wife, and had a Saturday job in a large department store in Norfolk during the time my father was a director of the company. She became Chairman of Matrix a few years later.

In 2007, shortly after I had started at Waveney District Council I was encouraged, or was it persuaded, by Betty Albon [Ed - most likely press-ganged!] to deliver a lecture to the ACES Eastern Region at Bury St Edmunds (where else!) on the APC titled "A Guide to Plane Spotting." She said that I had 10 years experience and should be able to talk with ease. I prepared a PowerPoint slide presentation and recall to this day that I spoke rather longer than she had suggested! The presentation was a good opportunity and then she suggested that I should expand my talk into an article for ACES' Terrier. The article took rather longer to prepare and finally appeared in Volume 12 Issue 2.

I mentioned the various centres that I visited while doing the assessments. Some assessors attended more centres than I did and the welcome of meeting new assessors at the different centres was always a pleasure. Each assessment centre had its own individual merits, whether it be the accommodation, the surroundings, or the wider location.

Only once did I arrive at the assessment centre on the day of the assessments, declining the overnight accommodation. The RICS was always keen to use different locations and I was delighted when Norwich City Football club was used for the assessments in 2008. It meant that I could stay at home and I had a very short journey: my usual 30-mile trip to Lowestoft was replaced by a 3-mile drive from home and I could have a lie in that morning! I assessed at Norwich only once as I had to withdraw at short notice on the first occasion. The RICS decided, after the second visit, that the venue had some deficiencies and no further assessments would be held there. I will not forget assessing the four candidates with the sight of the pitch at Carrow Road from the Norwich Union box!

I enjoyed my time assessing and could go on about my time as an Assessor, Chairman and later an Auditor, possibly, in a further article [Ed – you're on!].

The one piece of advice I have never forgotten, given to me by one of my early chairmen, is that the candidate knocks on the door and enters the assessment to demonstrate their knowledge, ability and experience to practice as a chartered surveyor. The next hour is the candidate's confirmation to the panel: if the candidate succeeds, then the professional qualification is awarded.

Jen is a partner and co-founder of Property Elite.

CPD FOR PROPERTY PROFESSIONALS

Jen Lemen BSc (Hons) FRICS jen@property-elite.co.uk

Jen here reminds us of CPD requirements for RICS members and trainees and advises that "failing to plan often means planning to fail!"

The Cambridge Dictionary defines a 'professional' as 'relating to work that needs special training or education'. This could be obtained through formal education, such as an undergraduate degree, but it doesn't just stop here. Knowing the fundamentals is essential, but these can change over time and memories fade unless they are revisited and refreshed.

Therefore continued training and learning is key to being an informed and competent property professional. Over time, learning and training can become more specific to a technical area of practice or could encompass wider business skills, such as management or leadership. It might also relate to new legislation or industry guidance, market trends or the wider political and economic climate. This helps not only to cement current knowledge, but to allow a surveyor to acquire new skills and knowledge to progress their career over the short, medium and long-term future.

Learning does not have to be dry and dull; there are many exciting and innovative ways to learn and the mode of learning can be tailored towards you. So, if you can't bear watching videos, or reading makes you sleepy, there are ways that you can access good quality, relevant and engaging training!

RICS CPD requirements

The RICS recognises the importance of continued education and training through their Continued Professional Development (CPD) requirements. These are crystallised in Rule 2 of the Rules of Conduct; 'Members and firms must maintain their professional competence and ensure that services are provided by competent individuals who have the necessary expertise'.

Within Rule 2, members must undertake sufficient suitable CPD and have up-to-date knowledge. Furthermore, RICS regulated firms must support their employees to do this.

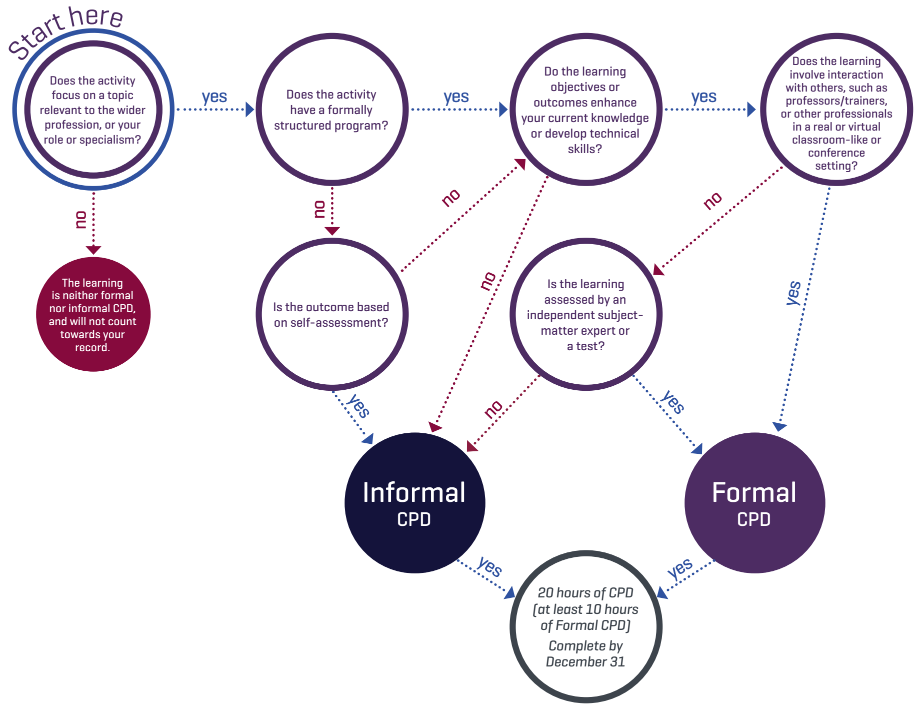
Appendix A to the Rules of Conduct also specifically states that as a professional obligation, 'Members must comply with the CPD requirements set by RICS'.

Members who fail to comply with the RICS CPD requirements may face disciplinary action. The first breach typically incurs a Fixed Penalty caution, which will be visible on the member's disciplinary record for 10 years. Further breaches incur more serious penalties (see https://www.rics.org/globalassets/rics-website/media/upholding-professional-standards/regulation/media/cpd_faq-jan-2021.pdf), although we would hope you never find yourself in this situation!

We recommend that CPD is planned well in advance, perhaps each 12 months for the year ahead. You could look at your goals for the year and then split these into smaller objectives, applying the SMARTER principles when goal setting can help. You can then identify activities you would like to book, splitting your CPD requirements over the year to stop a last-minute panic for hours at the end. You can also identify activities that will help you to progress as a professional and more widely within your career. Of course there will be adaptation and flexibility needed, but failing to plan often means planning to fail!

For all AssocRICS, MRICS and FRICS professionals, 20 hours of CPD must be completed each year by 31 December (and recorded online using the RICS website or CPD mobile app a month later, by 31 January). CPD recording systems can be accessed at https://www.rics.org/uk/upholding-professional-standards/regulation/cpd-compliance-guide/recording-cpd-activities/.

CPD Decision Tree: Formal or informal CPD?



Definitions:

Focus on a topic relevant to the profession: The subject matter covered is one that has a direct tie to your area of work, or covers a topic from the profession (industry) that will relate back to your field.

Structured program: The course, learning activity, or agenda is clearly defined and includes what will be addressed and the length of time dedicated to each area of focus.

Self-assessment: The activity is assessed by one's self.

Predefined learning objectives: The activity has clearly outlined objectives in the form of a curriculum, an agenda, or a learning schedule that has been planned in advance by accredited professionals.

Interaction: The activity participated in includes some type of interaction with learning in mind, with other professionals, students, or educators.

Formal assessment measure: The activity or learning is assessed by an independent third party that is educated on the topic.

Please note we may request proof where applicable

Example: Official documentation from the organizing body that states the details of the activity, potentially including but not limited to: the date, duration and full name of the participant.

Record your CPD by January 31: **rics.org/cpdrecord**

Every 3 years, CPD must be undertaken on ethics, professionalism and the Rules of Conduct. RICS has a number of resources, some of which are free, to satisfy this requirement.

RICS has slightly different rules for members who are on maternity, paternity, adopting or family raising leave or who are unemployed, long-term sick or non-practising for other reasons. In these circumstances, CPD should be recorded informally and reviewed prior to returning to work, to ensure that the surveyor feels sufficiently knowledgeable and skilled to do so. CPD exemptions and membership concessions are fully explained by RICS at https://www.rics.org/globalassets/rics-website/media/upholding-professional-standards/regulation/media/cpd_faq-jan-2021.pdf

For AssocRICS and APC candidates, the requirements are a little more complex and depend on the specific route being pursued. For candidates, CPD must be recorded using the RICS assessment platform rather than the more general RICS website. The CPD recording year also differs, being calculated on a rolling basis back from the candidate's submission date.

For AssocRICS candidates, the requirement is 48 hours of CPD.

For APC candidates, the requirement is 48 hours of CPD for either a 12- or 24-month period.

This differs, depending upon the candidate's APC route:

- 24 months' structured training – 48 hours of CPD for two 12-month periods rolling back from the submission date, i.e., 96 hours in total. This is not an aggregate total, so 48 hours CPD must be accrued for each 12-month period rather than just 96 hours in total
- 12 months' structured training, non-structured training or preliminary review, – 48 hours of CPD for one 12-month period rolling back from the submission date.

For Senior Professional Assessment (SPA) candidates, the CPD requirement is reduced to 20 hours rolling back from the submission date.

If an APC candidate is already AssocRICS, then they must satisfy the separate CPD recording requirements for both a qualified AssocRICS surveyor and as an APC candidate (with two separate systems and two recording dates being used). However, the same CPD can be recorded to satisfy both requirements.

The above 20- and 48-hour requirements are minimums only, and additional hours can be recorded. Going over and above shows an element of professionalism. However, hours recorded do not need to be 2 or 3 times the minimum!

CPD should only be recorded if it is relevant to your area of practice. For AssocRICS and APC candidates this is more specific, as the CPD recorded needs specifically to relate to your declared mandatory and technical competencies. For qualified surveyors, CPD could relate to areas of practice you want to expand your knowledge of or business skills to promote career progression.

At least 50% of the total CPD recorded for all of the above must be formal. The RICS produces a very helpful decision tree to explain the differences. All you need to do is to apply the tree to a particular CPD activity you are concerned about to ascertain whether it is formal or not.

RICS also produces Annex A (https://www.rics.org/globalassets/rics-website/media/upholding-professional-standards/regulation/media/cpd-annex-a-160518-mb.pdf), which provides a helpful table clarifying whether certain activities are classed as formal CPD or not.

Examples of formal CPD within this include:

- Professional courses
- Structured seminars with a learning outcome
- Formal in-house training
- Technical authorship.

Examples of informal CPD within this include:

- Shadowing
- Informal learning at work
- Private study.

Examples that are not CPD at all include social activities, networking without relevance to your surveying role, being involved with marketing events, and running a personal website or blog.

When recording CPD activities, the format of the information RICS requires is slightly different, depending on if you are already a member or if you are an AssocRICS or APC candidate. In either situation, you will need to consider recording the following:

- Learning objective
- Date
- Topic
- Method of learning
- CPD hours accrued
- Learning outcome.

After you have completed a CPD activity, it is good professional practice to reflect on what you learnt, what you enjoyed, what didn't go so well, and what you could do differently next time. This will help you to adapt your CPD activities and continually learn from the process. You can then sit down and review each 3-month period of CPD throughout the year, to see if you need to adapt your original plan or add in new ideas or topics for CPD.

On a more practical level, CPD does not always have to come at a cost or be provided by RICS. RICS does not have to approve the sources of CPD use, so you have free rein to identify what interests you, and you have the budget to cover.

There are some excellent free CPD resources out there, including the Design Council's CPD on Inclusive Environments (https://inclusive.designcouncil.org.uk) and the Property Elite blog (https://www.property-elite.co.uk/blog).

Moving on, we all learn very differently; the VARK model is an excellent way to explain this. This was proposed in 1992 by Fleming and Mills and focusses on four key learning styles:

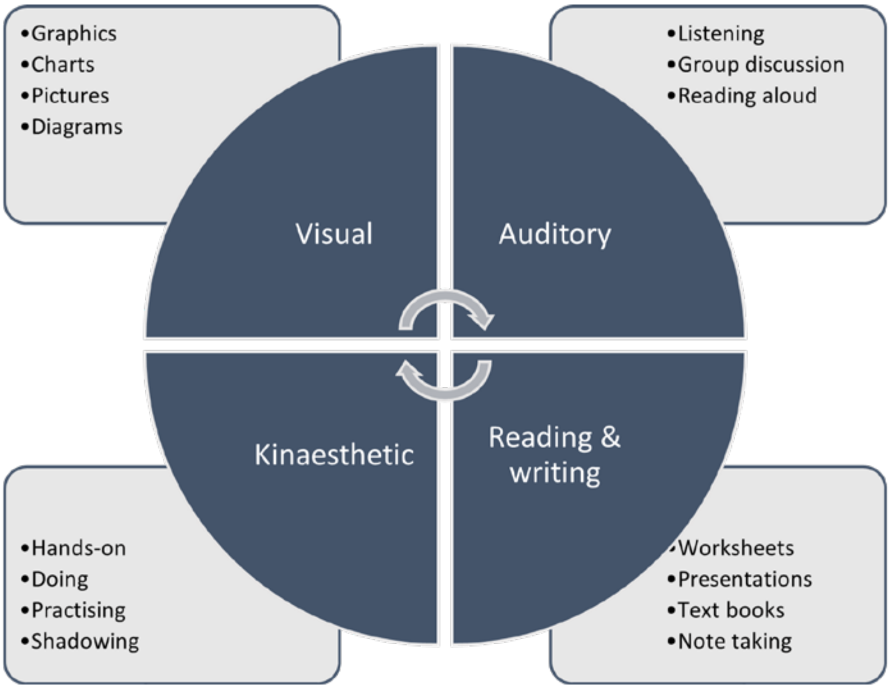


Diagram courtesy of Jen Lemen

Final thoughts

Understanding how you learn best is essential to ensure that your CPD is enjoyable and effective. There is nothing worse than attending a conference just listening to speakers, if you prefer to learn through reading textbooks. Equally, a hands-on learner may benefit from practising scenarios or activities, rather than reading from a worksheet. There is nothing better or worse than any of these styles, and you may find that you learn well using more than one style – but the key is to understand that we will all have our personal learning style.

It is also important to appreciate the wide range of neurodiversity within us, as humans. This includes autism, dyslexia, Post Traumatic Stress Disorder, Attention Deficit Hyperactivity Disorder and many other types of minds. Eliminating barriers to learning is key and this often means using a range of learning styles, avoiding reliance on auditory or written information alone and avoiding presenting multisensory information at the same time. There are some great resources available if this is an area that you would like to learn more about, and how it may apply to you.

Remember, great minds do not think alike and all learn very differently!

[Ed – ACES at local branch meetings and national events are great sources of CPD. Members are always pleased to discuss CPD with APC candidates and others.]

DAVE MEE, NORTH WEST BRANCH

Annual General Meeting, 25 November 2022

The meeting was held at Arbita, Central Park, Manchester and hosted by Georgia Cayton, Chair of NW Branch. It was attended by 16 members.

Secretary's report - The Branch has had a successful year with an average of 19 (16 in 2021) members and guests attending the four OGM meetings to date in 2022. They have all been face to face meetings. During the year it is considered that nervousness around fluctuating Covid infection rates has adversely affected OGM attendee numbers, but the September OGM saw a strong turnout and it is hoped that this is a positive trend going forward. Branch membership numbers have grown slightly in the year with 2 members resigning and 5 new members joining.

Meetings - The March 2022 meeting was held at the Kilhey Court Hotel in Standish. Richard Wynne gave a talk on the RACES initiative and Cecilia Read from the VOA gave a very informative professional update covering numerous points including the new RICS Rules of Conduct, the new RICS Global Standards 2022 Edition, changes to the IVS and PS1, the strengthened RICS focus on sustainability and environmental, social and governance, changes to asset valuations, application of the EUV basis of valuation in UK public sector accounting, and the RICS Independent Review of Real Estate Investment Valuation.

The June meeting was held at Stalybridge Civic Hall in Tameside and was the branch's traditional summer meeting. It received a presentation on the Stalybridge Town Centre Masterplan including a tour of the key sites and presentations on the regeneration of Stalybridge, identifying priorities 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. An anticipated £25m investment in the projects was envisaged.

The July meeting was held at County Hall in Preston and included interesting discussions and information sharing about staff recruitment problems and how local authorities are coping with the energy crisis.

The October meeting was held at the Kilhey Court Hotel in Standish and received an excellent presentation on the Minimum Energy Efficiency Standards by James McSorley. He covered the history of the regulations, the most recent regulation updates dating from June 2022 and what the regulations mean for commercial property owners. He covered the exemptions to the regulations and commented that an exemption is difficult to achieve. He said that enforcement provisions have now got some teeth, although questioned whether authorities would be able to resource the staffing needed for the policing role? He said that it was vital to check out the accreditations of any appointed consultants and that they are accredited to a level to deal with the buildings for which they are engaged.

Full day CPD event - The Branch was able this year, for the first time since May 2019, to stage its annual full day CPD event at Haydock Park Racecourse on 12 May. The event was chaired by NW Branch Chair, Georgia Cayton. A webinar version of the event was held in the previous year, which was reasonably successful but a limited substitute for the live version. There was some nervousness around the financial risk in committing in advance to the venue contract due to Covid infection rates, but approximately 110 delegates attended and the event was a great success.

There was a Commercial property law update presentation by Jeremy Moody of Knights PLC, Manchester, a Property market update presentation by Sanderson Weatherall, a Salford Crescent Masterplan presentation by Andy Cartwright and Kurt Partington of Salford City Council, and a presentation on Asset valuations – an auditor's perspective, from Graham Bearman and John Leece from Mazars, Auditors and Accountants, Manchester.

The Branch networking has once again proved to be very useful with email requests for help from fellow members being processed throughout the year by the Branch Secretary. Dave Norbury delivered his second RICS APC Workshop Session on 7 September at Salford University, along with Kevin Aspin, attended by APC candidates and their mentors. Discussions are ongoing between Dave Norbury and Kevin Aspin about forging further links between the branch and Salford University, with further opportunities being explored for CPD seminars for ACES members and hopefully raising the profile of ACES in the academic environment.

Branch officers were agreed, although there remained vacant posts for Senior and Junior Vice Chairs. The membership was urged to come forward to fill the vacancies and to maintain the branch as one of the most successful.

Staff wellbeing re remote working and service delivery and any ensuing property rationalisations is a continuing discussion area. One authority has a new CEO who has mandated that staff area required to be in the office 3 days a week, although this has led to a number of staff applying to become permanent home workers.

Paul Candalent of Manchester City Council gave an interesting presentation and overview of the refurbishment of the Grade 1 Listed Manchester Town Hall, focussing on the management of a heritage project of that scale, how cost increases over the course of the project had been dealt with, and the impact of the Covid pandemic. The presentation prompted questions from the floor, one of which was "did he enjoy his role of Project Director on this project?" to which he replied it was the best job of his career!

Dave Norbury of Manchester City Council took over from Georgia Cayton as Branch Chair.

ROBERT HARKNESS, SCOTTISH BRANCH

Due to the recent lack of updates from ACES Scotland, Terrier readers may be forgiven for thinking that the branch had declared UDI. This is however the not the case and is entirely due to my personal tardiness for which I will make amends both now and in the future.

Our combined AGM and branch meeting was held on 28 October 2022. This was a hybrid meeting hosted by Scottish Government at St Andrews House, Edinburgh. ACES Scotland currently has 45 members (including those from Ireland), representing 25 public bodies.

27 people attended both virtually and in person. This was the first in person/hybrid event since 2020. Three excellent CPD presentations were delivered. First up was 'Carbon emissions non-domestic property' by Steven Turner of South Lanarkshire Council. Second, 'Procuring property solutions' by Mark Elliott of CivTech and third, 'Cladding remediation' by David Blair of Scottish Government. The ability to have individual discussions and socialise since Covid was very much welcomed by those attending, having been sorely missed.

At our most recent virtual branch meeting on 3 February 3 2023, there were 23 members in attendance; 42 people joined for the CPD session on 'RAAC roofs [Reinforced Autoclaved Aerated Concrete]: The West Lothian Experience' provided by David Baird and Laura Cameron of West Lothian Council.

The branch has for some time been encouraging all member bodies to invite surveying staff to the CPD sessions, both to provide CPD and to encourage staff to become further involved in ACES in general. Feedback is that these are popular events welcomed by those attending.

ACES Scotland has two active sub groups covering valuation and asset management which meet throughout the year and are attended and appreciated by those staff from member bodies actively involved in those areas. The branch encourages participation from persons who would not normally attend branch meetings to take part in in-depth discussion forums and exchange ideas and best practice.

Our next branch meeting on 2 June is our ACES Spring outing hybrid event hosted by Fife Council in Dunfermline.

DONNA BEST, SOUTH WEST BRANCH

The South West branch held its Spring meeting in March. Many thanks to our host Nick Corker of Cornwall County Council who arranged a fabulous meeting venue and lunch, a presentation by Cornwall's carbon neutral programme manager, and a visit to Newquay Spaceport.

ACES President, Helen Stubbs, joined us virtually for the meeting and set out her vision to ensure a sustainable future for the organisation - largely through member engagement. We also heard about the 1-day conference due to take place in York on 21 September. The health theme for the event was welcomed, along with the more accessible and affordable format.

A discussion around growing the membership took place and there were some key action points for our Summer meeting:

- Bring a friend along – all members to invite a person from another organisation to the meeting. In particular, members to consider contacts in other public bodies such as Network Rail, the NHS, Universities, the Police or Fire Service
- Focus on topics of interest and associated speakers to form a valuable CPD event.

Matters of professional interest

Discussion included:

- LAs coming across issues with the planning authority when looking to dispose of assets formerly in a community based use
- Disposal issues with vacant chapels, often within cemetery grounds
- The HM Treasury consultation on the proposals to replace DRC and EUV with historical cost and Fair Value [Ed – see more information in this issue of ACES' Terrier].

CPD presentations

Nick Hayden gave an inspirational talk on Cornwall's carbon neutral programme. The work undertaken to date and the action plan for the future was an inspiration. Plans in Cornwall are certainly well underway to achieve their target of net carbon neutrality by 2030, ensure 30% of their land and seas are well-managed for nature by 2030, and to create conditions for resilient communities to adapt to a changing climate through the implementation of a flood risk management strategy.

Spaceport Cornwall

Ross Hulbert, Spaceport Cornwall's business development manager, hosted a tour of the brand new Space Systems Operations Facility. Due to open later in March, the building will host labs, collaboration space, office space and hotdesking for the space industry. The next part of the visit took us to the 'Spaceport'. Here we followed the journey of the satellites to be readied and cleaned before being packed into the rocket from which they will be launched into space. The energy and excitement around the whole enterprise was palpable, and we wish Ross and his team every success with the next launch.

ALISON HEXT, HEART OF ENGLAND

Heart of England held its Branch meeting on 9 February 2023, the first in person meeting for almost 3 years. The meeting was held in Telford, kindly hosted by Telford and Wrekin Council (TWC) and we were please to be able to welcome ACES' President, Helen Stubbs, to the meeting.

Helen gave an overview of her aspirations for the year ahead and the options for ACES' National Conference.

Dawn Toy and Caroline Tudor of TWC gave excellent talks on the Telford Town Deal and Workplace Telford.

New HoE Members were welcomed, representing Cannock Chase District and Herefordshire Council. There was one resignation.

The next HoE Branch meeting is on 8 June 2023 and is to be held at the RICS office in Colmore Row Birmingham, with CPD content.

DAN MEEK, RURAL BRANCH

Rural Branch has not met since its meeting in November 2022, but the agenda for its forthcoming meeting to be held on 18 May 2023 is shaping up well, and the event should offer attendees with some excellent and very relevant CPD.

Behind the scenes, ACES Rural representatives have, however, been rather busy dealing with the following activities.

A liaison meeting was held via Teams with George Dunn, Chief Executive of the Tenant Farmers Association on 26 January 2023. The Chairman and Secretary discussed a number of important issues affecting both landlords and tenants in the rural sector.

Representatives of ACES Rural had the pleasure of meeting Baroness Kate Rock via Teams to discuss her Report 'The Rock Review: Working together for a thriving agricultural tenanted sector' (October 2022) and in particular, the unequivocal support contained therein for council farms: Baroness Rock is a self-proclaimed 'big fan' of the service! An agreed output from those meetings was for ACES Rural to write to The Rt Hon Mark Spencer MP, Minister of State at the Department for Environment, Food and Rural Affairs to endorse the following recommendations of the Rock Review:

Recommendation 27: DEFRA needs to examine ways to incentivise investment into renewing and upgrading infrastructure. Defra and HM Treasury should create appropriate incentives throughout the agricultural transition period to bring tenanted holdings into an improved state

Recommendation 28: DEFRA needs to allow joint applications to productivity schemes and joint applications from both landlord and tenant for fixed equipment

Recommendation 29: It should be made possible for a public landlord, such as county councils, to make an application for an investment jointly with their tenants

Recommendation 39: DEFRA needs to develop a comprehensive and long-term new entrant policy that has clarity of vision with success criteria

Recommendation 40: The government must do more to support county councils to maintain their land assets for new entrants and the long-term security of the tenanted sector

Recommendation 41: DEFRA should consider ways in which it can best use public funds to incentivise and support private and institutional landlords to play their part in safeguarding the future of the tenanted sector and progression of new entrants.

Representatives of ACES Rural are in the process of considering the HM Treasury call for evidence on the Taxation of environmental land management and ecosystem services markets. Of particular interest is the proposal, first recommended in the Rock Review, to restrict 100% Agricultural Property Relief (APR) to Farm Business Tenancies of at least 8 or more years. The closing date for the call for evidence is 9 June 2023.

ACES Rural members from Devon and Cornwall are currently assisting DEFRA deliver the new entrant support scheme pilot designed to deliver a robust skills development programme for new entrants to the farming industry. Presentations covering access to land and how to prepare applications, business plans, cashflows and budgets etc have been delivered to both the 'start up' and 'scale up' participants in the pilot training programme.

For further information please contact the ACES Rural Branch Secretary, Dan Meek, Director of Estates & Valuation at South West Norse Ltd dan.meek@norsegroup.co.uk

GERRY DEVINE, WELSH BRANCH

The Welsh Branch held its meeting virtually on 15 February. Clive Ball, Head of Property, NHS Specialist Estates Services, took his first full meeting as our new Branch Chairman. In welcoming all, the Chairman thanked his predecessors, Geoff Bacon and Lorna Cross, for their leadership in guiding the Branch through the difficult Covid pandemic times and moving meetings online, adding that he hopes to be able to continue their work and keep meetings short and focussed. Microsoft had also advised that the current free version of MS Teams will be withdrawn on 12 April and its replacement will limit meetings to one hour.

The Branch Secretary provided feedback from the ACES Council meeting of 20 January, as well as the follow-up report from ACES President, Helen Stubbs, on the proposals for the 2023 National Conference and the 2023 ACES AGM, which are for this year only on a trial basis; reaction from members was positive. Tony Bamford provided a Covid-19 update.

Under CLAW matters, some members reported issues dealing with commercial tenants and rents post-Covid, especially in relation to geared rent leases where many head lessees were disputing rent levels. A discussion ensued on the dichotomy of high expectations of capital receipts from estates, while also being under pressure to provide land for housing, but with housing departments and associations unwilling to pay market value (as per the Welsh Government/Ystadau Cymru Land Transfer Protocol) and LPAs putting forward burdensome conditions for affordable housing provision on development sites.

RICS matters, Sam Rees, Senior Public Affairs Officer, RICS Wales, also now RICS UK Housing and Sustainability Officer with responsibility for Sustainability, Building Safety and Housing, reported on sustainability and retrofitting, in which 206,000 retrofit assessments are needed in Wales. RICS is calling for surveyors to train to meet this need with an upcoming series of CPD webinars. Under the Levelling Up Bill all public buildings over 1,000 sq. m. will need to have a Whole Life Carbon Assessment, with implications for all property managers. Of relevance is the recently launched IBOS Toolkit (https://www.rics.org/profession-standards/rics-standards-and-guidance/sector-standards/real-estate-standards/ibos) .

On Future Talent, Sam said Wales is the only part of the UK not currently offering degree apprenticeships but WG is supportive of the new Real Estate degree course at the University of South Wales which will have an apprenticeship option [Ed – see article in this issue of ACES' Terrier]. RICS has a shortage of both APC Assessors and Counsellors and is appealing for surveyors to train – if you can do it contact Graham Craven. RICS is launching a Monthly Wales webinar of one hour duration, with 25% general news and the remainder a professional topic.

RICS Wales office will be re-opening soon in central Cardiff, with rooms for meetings, training, etc., available free of charge to RICS members. The North Wales RICS Members Group has been launched and RICS is doing podcasts on various topics (https://www.rics.org/news-insights/rics-podcasts).

Welsh Government (WG) and Ystadau Cymru (YC), Nigel Thomas, Head of Estates Expert Services at WG reported that Land Release Fund money is still available this year, applications welcome. Clare Phillips added that a Heat Decarbonisation Fund is to be launched shortly, more details soon.

Data Mapping - Nigel reported that a Welsh Local Government Association Data Mapping Tool is being launched showing carbon values of land and potential uses, with training available in English and Welsh. Volunteers were sought from the ACES and CLAW network to test a Social Value Matrix which is being devised to aid the sustainability agenda.

Community Asset Transfers (CATs) remain an important consideration for ministers. Examples are sought for inclusion in the YC Newsletter. A member commented that there can be some issues with CATS to sports clubs, almost invariably relating to access to sports pitches/land. Looking forward to the YC Conference and Awards 2023, Nigel asked for greater numbers of the good quality submissions made last year. E-PIMS will remain fully supported until a supplier for In-Site Mapping is found. A Low Carbon Heat Grant is available over 1,2 or 3 years as capital only, but it was unclear if the Decarbonisation Fund would apply to housing as well as non-housing projects.

Valuation, estates and asset management Reinforced Autoclaved Aerated Concrete (RAAC) - The Chairman said that this is becoming a problem in some hospitals and schools. Awareness was raised, following a concrete collapse in a school in 2018 (fortunately not in use at the time). He referred to an article in The Guardian which said that 34 hospitals in England had an issue with RAAC and asked if anyone present had an issue, and one member confirmed for one building. The LGA is advising its members to check as a matter of urgency whether any buildings in their estates have roofs, floors, cladding or walls made of RAAC. Guidance is available:

https://www.local.gov.uk/topics/housing-and-planning/information-reinforced-autoclaved-aerated-concrete-raac

https://www.gov.uk/government/publications/reinforced-autoclaved-aerated-concrete-estates-guidance

https://www.cross-safety.org/uk/safety-information/cross-safety-alert/failure-reinforced-autoclaved-aerated-concrete-raac-planks

https://www.istructe.org/resources/guidance/reinforced-autoclaved-aerated-concrete-guidance/

Multi-storey car parks (MSCPs) and underground car parks, and electric vehicles (EVs) - MSCPs are another class of asset where structural checks are of importance. In new design guidance issued in late 2022, the Institution of Structural Engineers recommended increasing standard parking bays from 4.8m to 5.0m long and from 2.4m to 2.6m wide, but pointing out that larger, heavier vehicles potentially risk overloading car park structures. The British Parking Association (BPA) and newspapers pointed out that modern cars are larger and heavier than the original or equivalent models of the 1960s and 1970s upon which design and floor loading data for MSCPs is based. Chris Whapples, a structural engineer and BPA member, said, *"If a vehicle is heavier than the car park was originally designed for, the effects could be catastrophic. We've not had an incident yet, but I suspect it is only a matter of time. We have recommended that a loading check is performed on all older car parks."*

In its report, Sika asks "Are your car parks fit for the vehicles of the future?" (https://www.sika.com/en/knowledge-hub/car-parks-fit-future-ev.html), noting that many EVs (are roughly a third heavier than their petrol/gasoline equivalents. Meanwhile, an RSA Insurance report on EV Charging and Enclosed Car Parks says new and electric vehicles present a number of risks including Li-ion batteries and increased plastic content which increase fire hazards, particularly in enclosed car parks. (https://static.rsagroup.com/rsa/commercial-insurance-products/property/fire-safety-inspections-risk-control-guide-v3.pdf). A member actually had a fire in a multi-storey and he was now aware of a need to brief his building surveyors.

Climate change and decarbonisation – a member raised two points: firstly, a reduction in carbon footprint assessments requires behaviour change, a move away from gas for heating energy as being the default option; secondly, Scope 3 Emissions – he has calculated that '80% of the emissions for his organisation comes from products bought in'. The Welsh Procurement Policy Notice should have a mandatory carbon reduction plan for all contracts over £5m.

A member drew attention to a recent court case concerning the rating valuation of museums and art galleries in Exeter at nominal value. This effectively dispenses with the Contractor's Method (DRC) of valuation for rating purposes, with huge implications for councils. Hughes (VO) v Exeter City Council (RATING - valuation - alteration of rating list - museum located in an historic building) [2020] UKUT 7 (LC) (08 January 2020) (bailii.org). There had also been a previous case in York.

CPD Session - Chris Brain

Chris' two hours of CPD covered the following:

Local authority finance
LAs are under great financial pressure due to high inflation and the services that LAs are increasingly being required to provide. He cited University Hospitals of Leicester NHS Trust v Harborough District Council (HDC) concerning s106 contributions for a large development of 2,750 houses. The council was happy with the development in principle, but had it erred in law by not requiring a s106 contribution on behalf of the NHS Trust? The Trust claimed that the large number of additional people would add to the NHS burden to deliver health care. In discussion, matters were raised (in the context of Wales) about needing it to be covered at the planning stage, specific funding from the Welsh Government, and that it was benefit in having a local Public Service Board where these wider public sector issues can be raised and discussed. In the case, the judge rejected all four grounds of claim made by the NHS Trust and made an order for costs to be paid to the council.

Asset management
Recent Audit Wales reports on the management of Cardiff and Newport's property assets were reviewed and key messages picked up. Audit Wales said that while Cardiff has well defined corporate asset management arrangements and made good progress in delivering its property strategy, it should involve the wider population in developing its plans for its assets. It said Newport strategically plans and manages its property assets well, but both it and Cardiff need to follow sustainable development principles and also take a longer-term view of their property assets.

Chris also looked at how councils across Britain are downsizing and re-purposing their offices under the new normal of hybrid working in the wake of Covid. North Somerset Council is planning to demolish the 'new' council offices it purchased in 2009 and to build homes in a JV on the site. Chris reminded us of his IBOS presentation in Feb 2022 (https://www.rics.org/uk/upholding-professional-standards/sectorstandards/real-estate/ibos/) and, as Sam Rees had mentioned earlier, the free to use International Buildings Operation Standard self-assessment tool is now available on the RICS website https://ibos.rics.org/ .

Commercialism
External auditors for Spelthorne Borough Council, in a rare public interest report, have suggested that the council may have breached local government regulations in making its much publicised commercial investments. Meanwhile, falling commercial income has exposed funding gaps at Woking Borough Council; Slough Borough Council will need to sell £100m of property in the next few months if it is to repay by September the £266m it borrowed from other councils; the government has commissioned a review of Eastleigh BC's borrowing and debt levels (around £560m) to date, mostly used to buy and build property; concerns over additional borrowing have prompted Bournemouth, Christchurch and Poole Council to reduce the number of new homes it plans to build in a regeneration scheme, while major regeneration schemes in Sheffield and Enfield are also being reviewed due to construction costs inflation and rising PWLB interest rates.

Net zero carbon
The government commissioned MP Chris Skidmore OBE to review how the UK could better meet its net zero commitments and his report, "Mission Zero", published in January 2023, covers the opportunities and benefits, and sets out how to achieve these opportunities, making recommendations, across six pillars, to trigger action in individual sectors of the economy, and to enhance the role of local authorities, communities, and individuals to deliver net zero. It found that while local authorities have a huge *"scope of influence", councils "currently face a lack of clarity over their role, a disjointed and short-term approach to funding, and require further support to build the capacity and capability needed locally to deliver a successful transition."* Central government should simplify the net zero funding landscape, providing medium to longer term funding; reform local planning and the National Planning Policy Framework; provide guidance, reporting mechanisms and support to enable local authorities to better monitor and report their net zero progress.

Chris also reviewed a report by the Net Zero, Energy and Transport Committee to the Scottish Parliament which also recommended longer-term funding; in Wales, a Welsh Audit Office report on Gwynedd Council's decarbonisation plans, noted that while the council has a clear vision for how it will achieve net zero by 2030 and is investing in carbon reduction schemes, it has not yet identified all the funding needed, leaving a significant risk that it will not meet its net zero emissions target. A member commented that we should also be looking at Local Area Energy Planning as part of this.

The value of trees. A Forestry Research/ DEFRA report in December 2022 estimated trees outside woodlands (single trees in urban and rural areas) are worth over £3.8bn. The valuation is based on the important role they play in sequestering and storing carbon, regulating temperatures, strengthening flood resilience and reducing noise and air pollution [Ed – see also article on RICS Valuation of Woodlands in this issue of ACES' Terrier].

The growth in EVs. The government estimates the UK will need 300,000 EV charge points by 2030. However, research by Zap-Map suggests only around 12% of these have so far been installed; over 30% of local authorities have no formal EV infrastructure plan in place, while almost half (44%) do not expect to complete one within the next three years, despite Local EV Infrastructure funding possibly being available.

Believed to be the first in the UK to be signed directly between a renewables producer and a governing authority, the City of London Corporation has agreed a £40m Power Purchase Agreement with Voltalia to buy all the electricity produced by a new solar farm in Dorset for 15 years, to provide over half of the City Corporation's electricity needs, powering landmarks such as Tower Bridge and The Barbican. On the downside, research by Lancaster University revealed that areas with the greatest reductions in central government funding between 2010 and 2019 are associated with lower quality local authorities' climate action plans.

Asset valuation
In HM Treasury's thematic review of non-investment asset valuation for financial reporting purposes, the Financial Reporting Advisory Board (FRAB), in a paper published in November 2022, made two recommendations [Ed – see reports on both these matters in this issue of ACES' Terrier]:

1. Specialised Assets (land and buildings) should no longer be valued on a DRC basis, in future being valued to 'Historical Deemed Cost'
2. Non-specialised Assets (land and buildings) should no longer be valued at 'Market value in existing use', in future being valued at Fair Value under IFRS 13.

The next steps are public consultation with an Exposure Draft, followed by further FRAB discussion in March 2023, with a view to new application guidance to be issued in November 2023.

Health and safety
In January 2023, Newcastle City Council pleaded guilty to Health and Safety breaches, following the death of six-year-old Ella Henderson hit by a falling tree at school in Sept. 2020 (https://press.hse.gov.uk/2023/01/10/council-fined-280000-after-death-of-six-year-old-girl-hit-by-falling-tree/). The council said it had since 'changed its processes'. Chris asked if other authorities had processes for tree inspections on their land?

Following the Court of Appeal decision in February in Davies V Bridgend County Borough Council where the claimant was awarded £4,900 for diminution in value due to encroachment of Japanese Knotweed from the council's land; while this was not a large sum of money, a principle has been established which could give rise to further claims against this or other local authorities or public bodies.

A FoI request to 71 councils revealed a top 10 of LAs with the largest areas of contaminated land - Warrington came top with 4,160 ha.; there were no Welsh authorities in the top ten.

Finally, Westminster City Council may have managed to find a way to deter revellers who use Soho's streets as a public urinal - it is treating walls with a paint that creates a water repellent layer, so that the urine bounces back onto the perpetrator!

JOHN READ, NORTH EAST BRANCH

It has been a bit of a quiet period for the NE Branch with no virtual or other meetings for branch members since last year. The Branch Executive has kept in touch with branch business and had planned to arrange an in person meeting in March, but this was not possible because of the uncertainty issues we were having with our bankers over the ACES bank account. Unfortunately, due to banking regulations, we have not been able to access funds and this has impacted on our activity. This is an issue that we understand other branches are experiencing and the Branch Treasurer and national ACES Treasurer are looking to resolve the issues.

Our next branch meeting is planned for June and in the meantime we are pleased to report that Mohamed Mahroof has joined the Branch Executive, and with his experience in the public and private sectors, he will be a great addition to the team.

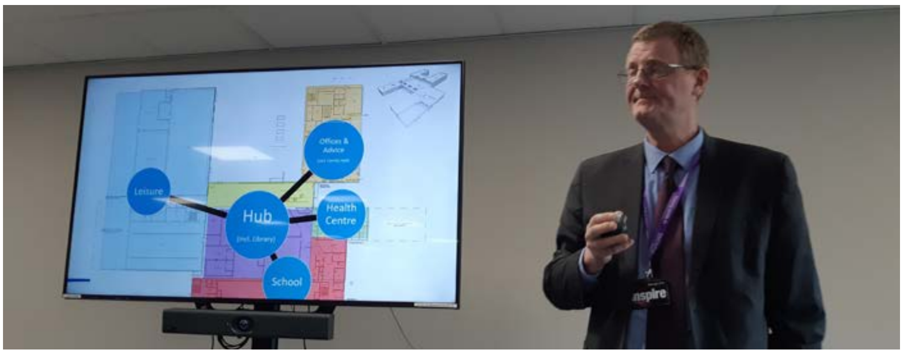
Finally, on a personal note, this will be my last branch news as a public sector employee and after almost 39 years of service (27 of these at East Riding of Yorkshire Council). I took retirement at the end of March, but I plan to continue as a retired ACES member and am looking forward to seeing many of you at the Presidential Conference in York later this year.

JACQUELINE CUMISKEY, EASTERN BRANCH

ACES Eastern Branch meeting was held in person at the Mildenhall Hub on 24 March 2023.

We were welcomed by Alan Richards, Branch Chairman. This was followed by two excellent presentations and a tour:

- MEES update and the Public Sector – from Shawn Galliers, Director of Sustainability, Ingleton Wood LLP [Ed – see article in this issue of ACES' Terrier]
- Delivering the award winning and ground-breaking Mildenhall Hub presentation – from Alex Wilson, Strategic Director, West Suffolk Council, and Quentin Cass, Suffolk County Council Property Strategy Team, and ACES' member.



We afterwards enjoyed a tour of the building from Alex and Quentin, which illustrated the range of partners and services occupying the Hub, building and planning issues, and measures for 'future proofing'. The overriding impression is the vitality of the Hub through its public use.

The next event is TEAMS on 20 April at 9am, when Chris Brain, author of The Property Strategy handbook, presents 'Building a local authority property strategy'.

It is also an opportunity for ACES President, Helen Stubbs, to address the branch.

BENTLEY MEMOIRS
The Grumpy Guide to a life in, about, around and after asset management – Part 5 (ish)

David Bentley bentleybunch@icloud.com

David gives readers another humorous (did I write that?) account of retired life, with sumptuous photos.

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.

Aurora borealis and building bridges

I think we've survived the winter. Unless of course we get the occasional sting in the tail we get up here commonly known as 'lambing snow'. The first three months of 2023 have had their moments of adverse weather, but we've also been blessed with some of the most amazing Northern Light displays since we moved up here (see picture taken outside the front door) [Ed – course I'm not jealous].

The Bed and Breakfast has just opened for the season and we've just said goodbye to our first guests. So, two winters ticked off, which means we're locals by most accounts, although I can't say my Birmingham accent has morphed into anything remotely highland sounding. The cruise ships also start arriving this week and it looks like a busy spring and summer.

Winter has been busy in its own way; we've done quite a bit of work to the B&B to open a new room and I've managed to build a bridge over the burn that splits our garden in two. It may not be on a par with the Forth Road Bridge, the Sydney Harbour Bridge or even the Bridge on the River Kwai, but we now have dry access to the rest of the garden. Made from old decking, spare timber and the remnants of civil engineering lectures from my distant past, it will stop me getting water in my wellies every time I attempt a sortie over there. I tried to invite the Provost of Inverness to come and conduct an official opening ceremony but as yet, had no reply. The problem is that now I've got no excuse not to sort out that far area of the garden!

Photography

Occasionally during the winter period, when I do manage to find some spare time in the chaotic diary, I can indulge in my number one hobby, namely photography, when I will travel out for the day with a friend (George Read) who has his own photography business up here. The location/subject of our endeavours will depend on the exact time of year, weather forecast and how far we can be bothered to go.

There are a few certainties for our trips however, as follows:

- Irrespective of the forecast the weather will always be rubbish
- We will always get wet
- We will take far too much equipment
- George will always forget something
- I will always forget something
- If I'm driving, we will always see Red Deer stags who, by the time I've found somewhere to park and get the camera out, will have run off into the distance. Meanwhile George will have got lots of photos of them
- If George is driving we will never see Red Deer stags
- Our well planned itinerary will often change at a moment's notice based on the proximity and availability of food
- The cafe we usually plan on visiting will always be shut. This could be because of the time of the year, the day of the week, for staff training, lack of electricity or because the cook was on holiday
- We will take hundreds of pictures between us and get really excited about the quality of them. That is, until we get home and see them on the computer, when if we're lucky we might publish about three.

Our most recent outing was heralded with a forecast which looked really promising when we arranged the date a week before, but had turned into something that only Gene Kelly might get excited about. So we weren't expecting too much when we rendezvoused at the ungodly time of 6.30. In keeping with our usual standards, George had forgotten his tripod and I'd forgotten my travel mug of tea which I'd been organised enough to make but then leave in the kitchen.

Surprisingly, the weather started off not too bad and we were treated to a stunning sunrise and some opportunity for colourful skies until a bank of rain blew its way in after an hour or so. I was driving, so it was guaranteed that we saw some nice Red Deer stags which ran away before I could get the camera out. The cafe we had planned on for breakfast in Lochinver was closed, so not to be put off, we made it up to the deserted beach and took some photos before returning, for when the Lochinver Larder (Pie Shop) opened at 10 am. I can't say I've had a mushroom and red wine pie for breakfast before, but it was timed perfectly, enabling us to sit inside during the first of the day's torrential rain showers and set us up for the next few hours. We managed to dodge the showers to get a few decent shots throughout the day but as usual, the highland cows refused to face the camera, however long I waited.

Actually some asset management

In addition to all the above, I've probably been doing a bit too much asset management work for Leila's liking, but everyone seems to want asset management documents written at the moment! Fortunately, my office is in the shed, so I just take something that needs to be fixed in with me and come out 10 hours later saying it took far longer than expected. More seriously now, there has been so much interest in recent months that CIPFA is going to run a session on the different examples and approaches to writing asset management documentation at the next Strategic Assets events in June.

The CIPFA/ACES diploma is still going strong, and it's great to see a consistent volume of participants for each of the cohorts. I do, however, think sometimes since my 'retirement' that I'm getting out of touch, and it should be them teaching me; it's a good job I'm ably supported by ACES presenters for each module, who keep me on the straight and narrow [Ed – see article and flyer in this issue of ACES' Terrier].

The Grumpy Guide to Life

This time last year I had just returned from my 60th birthday trip walking the Annapurna Circuit in Nepal which prevented me from writing an article (much to the editor's relief). When you get to over 60, birthdays don't seem to carry the same sort of excitement as they did when you were, say six. I've never really been one for massive celebrations - a nice walk will do me fine, especially if it involves the Himalayas.

But that was last year and I can't say 61 seemed to be a very special birthday at all when it occurred back at the start of March. I did get treated to a meal out, a few cards and a few food-type presents which was all fine, but missing from the usual equation was a present (or presents) from Leila and the kids. All they would say was that 'something' had been ordered and they'd clubbed together to buy it for me. I would just haveww to be patient. I have indeed had some interesting presents in the past. Things I didn't even know I wanted, some of which I even liked, so with going off on holiday I just forgot all about it. That was until last night.

So, my youngest daughter arrived from university for her Easter break and unbeknown to me a FaceTime had been arranged with Australia and Burton on Trent. The 'something' had arrived and was brought out for me to unwrap.

Well, what can I say, a tear might even have made its way into a grumpy eye. Between them they had taken all my Facebook grumpy guides and produced a book. 322 pages of the tosh I come out with, formatted, edited and put together in chapters to make it look almost organised. A complete and utter surprise and even my wife managed to keep the secret.

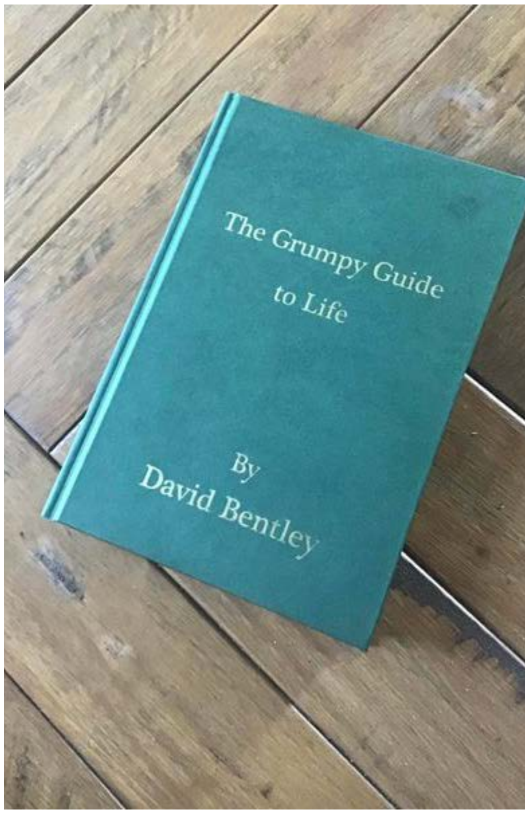
They won't tell me how much it cost, only that they trawled through all my Facebook posts transferring all the text, writing a lovely forward and then reading it all over and editing in an attempt to make the gibberish moderately coherent.

So, I was presented with 'The Grumpy Guide to Life' by David Bentley.

I haven't been contacted by Rupert Murdoch or the Daily Mail for a serialisation piece yet, but I realise that's just a matter of time. I also understand that a number of curriculum boards are seriously considering including it as compulsory reading material for GCSE students.

If you're getting married, have a special birthday, or I owe you something, you now know what to expect as a present.

People who stop at the B&B also don't need to order a copy, as we will be reading a compulsory chapter to them before breakfast every morning.



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

SELWYN – THE EARLY YEARS
The key to democracy (1973)

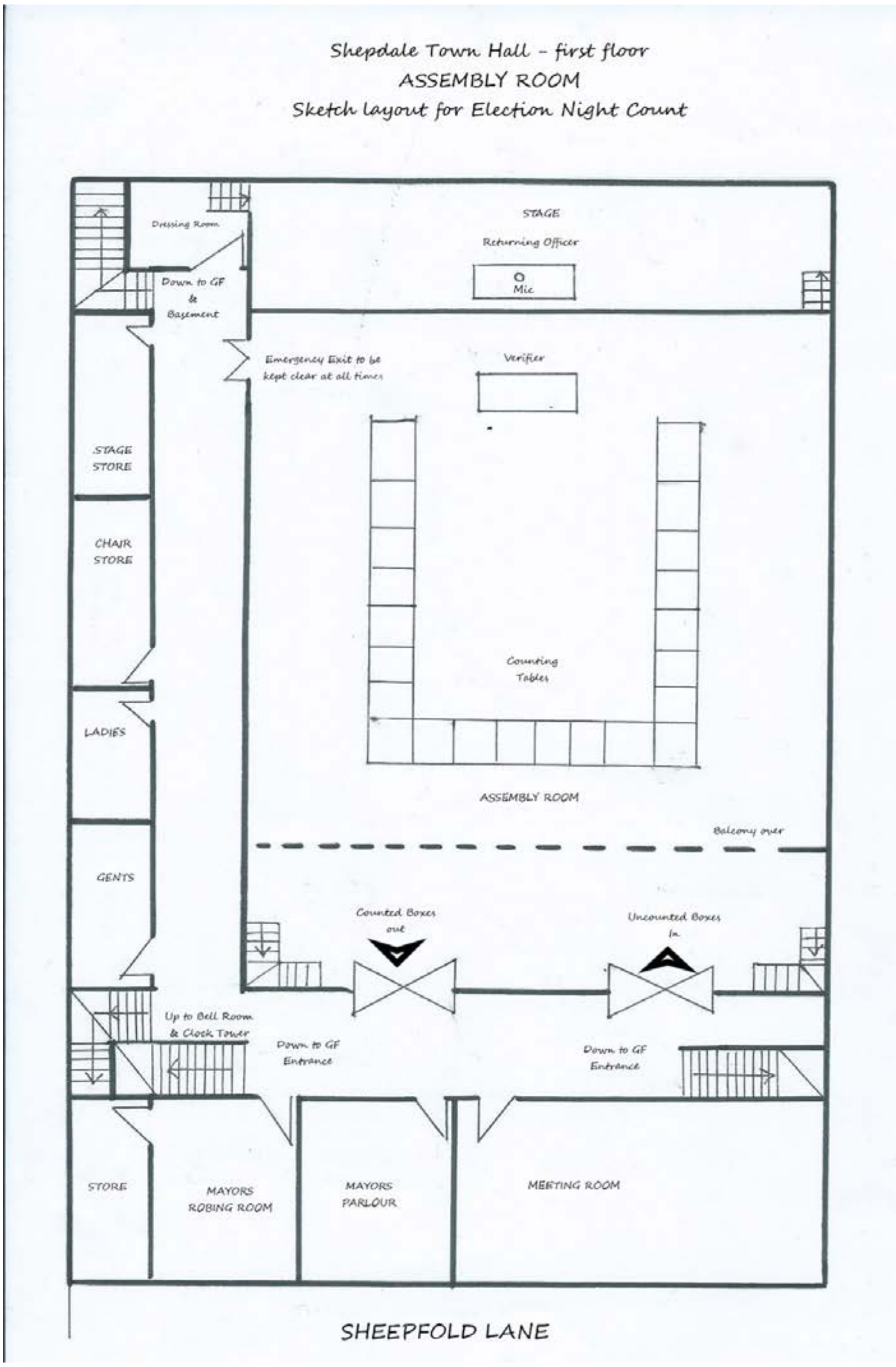
Dave Pogson

'The Selwyn Series' and 'Herdwick Tales' that precede 'Selwyn – The Early Years' were written specifically for ACES' Terrier. Each story was a self-contained episode in the life of a council property manager from 2001 to the present day and beyond, as he approached and enjoyed early retirement from the fictional Herdwick District Council. They can still be read in back-issues of ACES' Terrier, starting from 'The Final Vote' in 2017/18 Winter Terrier.

The characters often presented controversial and outspoken opinions on local and central government policy and practice. The stories were fictitious and occasional historical background details may have been changed to fit the chronology. The views expressed were those of the author, not those of ACES. The second series ended just after Selwyn's death from old age in 2036.

'Selwyn – the Early Years' is a supplement to that original series, taking Selwyn back to the start of his career, and the same disclaimer applies. The author offers thanks to former ACES member Martin Haworth (ex-Lancashire County Council) for contributing suggestions to help improve this series.

On a night of high emotion in the most important election ever held in Shepdale Town Hall, the least regarded member of the election team was at the centre of a drama that almost caused the fledgling Herdwick District Council not to come into being. Not since the pre-war days



of Walter Winster, when the renowned Herdwick dialect poet, brawling publican and occasionally violent one-time Mayor of Shepdale had caused uproar in the council chamber, with his bid to prevent discussion to bring about restricted drinking hours in Shepdale, had the town hall seen such excitement. It was not a good start to the 1974 Local Government Reorganisation.

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Selwyn had met Larry in 1966 in the first month of his career as a trainee surveyor in the Borough Surveyor's Department of Shepdale Municipal Borough Council. Arthur, Selwyn's manager, had handed Selwyn two files and said,

'You might as well jump straight in at the deep end, lad. This 'live' file is about a small parcel of surplus council land that needs selling by tender. This 'dead' file shows how we sold a similar piece last year. Read the dead one and apply the same procedure to the live one. Come and ask me if you have any questions. Go and see Larry at the bin depot for some 'For Sale' signs, posts and a hammer. Just make sure that you tell him exactly what you want. Don't leave it up to him to think about details.'

Selwyn soon came to learn that every council needed a Larry. The guy that everybody went to when a difficult, dirty and physical job needed doing. Larry wasn't the brightest spark at the depot, didn't have any conversation apart from the odd grunt, laugh or 'Nar-then' in greeting but his capacity for hard graft was incomparable. He'd somehow learnt to drive in the 1950s when the roads were empty and the driving test might have been easier. He'd been with the council since he'd left school and there wasn't a vehicle in the depot that he couldn't drive. When the drains were blocked, the bins needed emptying or the potholes needed filling, no matter what the time or weather, Larry would be out there doing it and he wouldn't quit until the job was finished. Selwyn had never met anyone who worked harder. But any instructions had to be made clear and simple with no room for interpretation of details. Larry was a literal person.

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On the night of the election, Larry was drafted in to the election team and given just one job. Jim, the admin officer was working for Tom, the Senior Committee Clerk, who was working for Charles Bowstead, the Town Clerk, who was the Returning Officer in charge of the election process.

Jim had taken the team, including Larry and Selwyn, to the first floor of the town hall and into the cavernous Assembly Room where Selwyn had attended dances as a teenager. It had a polished wooden floor, a stage at one end and an overhanging balcony at the other. It was now laid out for the election count. Jim wanted to familiarise them with the setup and take them through the count. Lots of folding tables arranged end-to-end in a U-shape filled the centre of the room. There were no gaps between the tables but the opening in the mouth of the 'U' faced the stage at the far end of the room away from the main entrance doors. In that opening, under the stage and facing into the 'U', was the Verifier's table where Tom would sit. Another desk with a microphone was set up on the stage behind the Verifier for the Town Clerk to announce the results.

Jim showed Larry a typical black ballot box with a slot in its top for posting the voting slips. Boxes would be issued to each polling station to hold the votes. Then Jim took Larry through his job ready for the night.

'Larry, on election, night lots of ballot boxes like this from all over the district will be brought in here by the poll clerks from the polling stations via the main staircase. They'll be left just inside the entrance to this room. Somebody will be here to receive them. Now, you see those tables in the middle of the room? The boxes will be taken to those tables for the votes inside them to be counted. Ok, so far?'

A grunt and a smile from Larry. Jim continued,

'Then the voting slips will be put back inside, the lid will be shut and each counted box will be placed in another pile over here. Your job is to stack any counted boxes onto the caretakers' flatbed trolley, take them out and down the side corridor to the back stairs, carry them down in twos to the basement, and lock them in the solicitor's deed vault for security, ready for bagging up tomorrow. Here's the key. Lock that vault every time that you leave it. On the night, the place will be packed with candidates, party officials, spectators, the press and all sorts of hangers-on so we don't want any incidents. Is that straightforward enough?'

Another grunt and a smile.

'Thanks, Larry. That's it.'

Jim continued, talking now to the other team members,

'On the night I'll be floating around sorting out any practical problems as they arise. Most of you will be table bosses, each in charge of a section of those counting tables with a team of counters - a mixture of typists, admin people and volunteers from the local branch of the Herdwick District Savings Bank who are skilled in counting and bundling banknotes. The counters will sit at those tables on the chairs already placed inside the 'U', facing outwards. The spectators will watch the count take place from the opposite side of the tables, around the edge of the room between the 'U' and the Assembly Room side walls. Right, are you with me so far?'

The team members nodded and Jim continued,

'The table bosses will work inside the 'U'. As the ballot boxes arrive, you will collect them from over there and take them down the far side to that space inside the counting tables. Each ballot box will be identified by ward name, with a printed address taped on the lid, like this example. Each ward will have at least one full ballot box, or sometimes two, and occasionally three together if they are really big wards. The table boss takes the box or boxes for one ward only at a time to his section of tables, cuts the seals and empties the voting slips onto the tables. Ok so far?

The table bosses nodded.

'Your counters will just count the total number of slips and note that down at first. The table boss will scribble that on a bit of paper and take that total along with its ward identity to Tom to verify that the slips in the box match the total number of slips recorded as issued for voting that day by the poll clerks in that ward's polling station. Still with me?'

Nods again from the team.

'If that overall total is verified by Tom, then the counters can spread the votes out again on the table and count them into bundles of 50s for each separate candidate standing in that ward. Each bundle of 50 will need a rubber band around it with any odd votes fastened on top with a paper clip. The counters will have to look for potential spoilt votes and the table boss will take them to Tom for a decision. Table bosses also have to watch for errors in the bundles. When you're happy with the bundles for each candidate you will note down the separate totals and then take them to Tom for recording.'

Jim checked again that they understood.

'If the totals for the all the candidates in that ward all add up to the verified overall total then Tom will accept the count for that box. There might be recounts for close results. However, most should be clear cut. When the candidates accept the result then you can put the relevant bundles of votes back into the box and deliver it to Larry's collection point, for removal to the vault. The Town Clerk will then announce the result for that ward. It might seem complicated, but it should be fool proof. Pens, notepads, scissors, paperclips and rubber bands will be put out on the tables ready for you. The public are not allowed to touch the boxes or the votes under any circumstances. Any questions?'

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Selwyn had assisted at other local elections for Shepdale MBC since starting his career at the council, but his role as table boss was his first promotion from counter and he had never been involved in anything as large as this. Jim, although younger than Selwyn, had far more election experience and responsibility as it constituted an important part of his job description.

Similar elections were taking place all over the country in a complete shake-up of local government boundaries and responsibilities. Along with all the other new county councils, the new Northshire County Council had already been elected on 12 April 1973. The new metropolitan districts had followed on 10 May. Now it was the turn of the new district councils. All across the country the old, small municipal borough, urban and rural district councils – like Shepdale MBC, Lantern-o'er-the-Bay UDC, Ulverpool UDC, Winander UDC, North Herdwick RDC and South Herdwick RDC - would disappear on 31 March 1974. The new Herdwick District Council would be elected on 7 June 1973, and, in accordance with the Local Government Act 1972, would then shadow the old councils until replacing them on 1 April 1974.

Selwyn was excited by the changes but also concerned about his job. He wasn't married but had lived with Jackie in her flat since she'd transferred to the Herdwick District Savings Bank branch in Shepdale from Ulverpool. Now she was dropping hints about getting married. He wasn't sure about marriage to Jackie. At the back of his mind he'd always been a little concerned about her lack of loyalty to her old boss Donald Ruxton when she'd worked at the Ulverpool branch. He knew that the outspoken comments she'd revealed to Selwyn at their first meeting were not an isolated incident. She had a tendency to blurt things out in conversation, including stuff that he told her about his work with the council that he preferred not to be aired in public.

Anyway, he had no guarantees of employment under the new authority. There was a lot of talk inside the council about early retirements for the older employees and promotion opportunities to newly created posts for the younger ones. His preference was to continue working for and with Arthur as part of the new Herdwick District Council Surveying Department, but even Arthur couldn't guarantee what was in store for either of them. So marriage was a risk in those circumstances and Selwyn welcomed the opportunity to stall Jackie with that excuse.

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Election night on 7 June 1973 was frenetic. There were 54 seats to count. It had started slowly enough. Selwyn arrived at 9:30 pm with the polls due to close at 10pm. Jim had warned him that it might take until midnight or 1:00 am to finish. He'd told Jackie not to wait up and that he'd tell her all about it when he got home. She knew the girls from the bank who were helping with the count so she was quite interested in what they were doing.

Around 10:15 pm the first boxes from the nearest polling stations started to arrive and the count began. The power struggle for control of the new council had generated far more interest than the usual local elections. The Assembly Room was crammed with people, which made it difficult for the polling clerks to get the boxes into the room and difficult for the table bosses to collect them from the entrance and carry them into the middle of the 'U'. By 11:00 pm the boxes were arriving faster than they could be cleared so began to stack up around the entrance. Charles Bowstead was announcing the results for each ward as they were counted; the crowd was getting excited and the race for control of the new council was well and truly under way.

No-one knew exactly what had happened. It had built up to a tense finish by 12.30 when the boxes from the outlying wards finally arrived. They were dealt with at rapid speed despite numbed minds and tired feet. The running result showed a likely 'hung' council, with a neck and neck race between the Tories and the Liberals to be the largest party without an overall majority. They had an equal number of seats and it was all down to the last box to be counted from the Ulverpool Farside Ward. That box must have been delivered as its paperwork was with Tom. All the counted boxes had been cleared and stored in the vault. Someone, nobody knew who, had already said to Larry,

'That should do it, Larry. Thanks. I guess after that last load you can call it a night - unless you want to stay for the announcement of the final result.'

Larry wasn't interested in who had control of the council. It made no difference to him. There would always be drains to clear or potholes to fill, regardless. He'd decided to go, walked up from the basement to the ground floor, and out onto Sheepfold Lane. Upstairs in the Assembly Hall they were just then discovering that the Farside box was missing.

There was a lot of huddled discussion between the Town Clerk, Tom and Jim. The poll clerk for the missing box was contacted by phone from the Town Clerk's office downstairs. He was roused from his bed and made to check the boot of his car. He confirmed that he'd delivered the box. His paperwork was on Tom's desk, along with his record of voting slips issued and placed together with the few postal votes that Tom already held for that ward. People could remember the poll clerk coming in with the box. But where was it? It could be a matter for the police. This was an attack on democracy. The result could not be called.

After a search of the building, the only sensible conclusion was finally arrived at: that the box had got into the wrong pile in the heat of the finish; that Larry had taken it to the vault by mistake. No-one could blame him for just doing his job but Larry, oblivious to the panic, had gone home with the solicitors' key because no-one had thought to ask him for it back. He was a literal person. And nobody in the room was friendly enough with him to have either his address or phone number.

Until Selwyn quietly stepped forward and whispered to Jim,

'I've got a key. The spare key. The legal section got so fed up with me moaning at them to provide information from the property deeds stored in the vault that they loaned me the spare on a permanent basis, so I can go in there to do my own research. If the Town Hall caretaker can let me into my office now, I can fetch it from my desk.'

'Ok, but do it quietly. We don't want this getting out. I'll tell the Town Clerk.'

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Things came to a head between Jackie and Selwyn after the Herdwick Gazette published the 'inside' story from an undisclosed source the following week. It may have been someone else who'd leaked it, but Selwyn had gone home tired after the count and made the 'mistake' of telling her about the key when she'd asked if anything exciting had happened. He'd made her promise to keep it under her hat. Later, when he asked her, she hadn't denied bragging to the girls at the bank about how her Selwyn had saved the day. It was one too many times for Selwyn. He felt a little guilty but it was her own fault and it did give him his way out. They weren't engaged or anything. He'd convinced himself it was for the best.

'Did I tell her deliberately to force the issue?' he asked himself later as he wrestled with his conscience. 'I could justify it as a negotiator's tactic … to plant the story and see where it led. She'd chosen to reveal it after all.'

Either way, he'd moved back in with his parents again by the following week.

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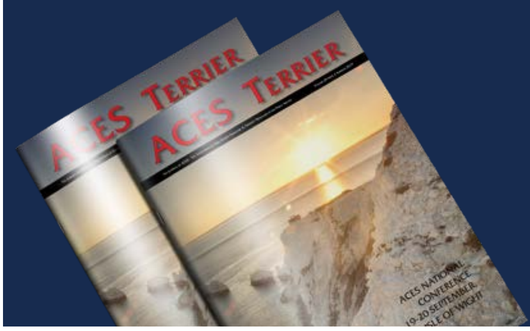

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