DVS has extensive experience of working with and advising regional bodies and local and devolved government.

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Being part of the public sector means we understand the needs of our many public sector clients and the challenges they face.

### Our services

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<td><strong>Strategic Asset Management advice</strong></td>
<td>including valuations, surveys, benchmarking, appraisals, acquisitions, disposals and the development of Asset Management Plans (AMPs).</td>
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<tr>
<td><strong>Policy development and analysis</strong></td>
<td>DVS holds an unrivalled database that links sales data with a wide range of property attributes and characteristics, and can provide detailed market reports, monitoring and analysis to inform policy decisions and economic and social regeneration initiatives.</td>
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<tr>
<td><strong>Housing advice</strong></td>
<td>Including development appraisals, negotiating affordable housing mixes, values and committed sum payments, Section 106 agreements and issues (Section 75 Scotland), portfolio reviews and stock valuations, ‘Right To Buy’ valuations.</td>
</tr>
<tr>
<td><strong>Commercial development advice</strong></td>
<td>including developer selection and negotiations, land assembly issues, apportionment of proceeds between development partners, Overage, escalator and claw backs.</td>
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<td><strong>Compulsory purchase, compensation and regeneration</strong></td>
<td>including Pathfinder initiatives, from drafting of scheme to transfer of interests.</td>
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<tr>
<td><strong>Environment</strong></td>
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**Clients include:**
- Regional Development Agencies
- Fire and Police Authorities
- Over 300 UK local authorities
- The Scottish Government
- The Welsh Assembly Government

**For more information** contact Phillip Percival

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or visit our website: [www.voa.gov.uk/dvs](http://www.voa.gov.uk/dvs)
I have been in the surveying profession a long time and I have worked closely with local authorities for much of my career. I remember starting in Derby in the early 70s dealing with slum clearance schemes. I had a very happy period advising South Derbyshire District Council on acquisitions including, setting up a ski slope on a former National Coal Board tip. Also, as District Valuer in Derby, I was involved in the Pride Park development and those who know the area will see the tremendous improvement made to the derelict and contaminated land around there. So, generally speaking, I feel at home in the company of local authority estates surveyors.

A more recent involvement I have had with local authorities is in the area of local taxation and this is the theme of this paper. I intend to look at valuation for local taxation purposes and this will enable me to consider, and share with you my personal view on the impact of automation on this work, both in the local taxation field and generally throughout the world. In more detail I intend to cover:

- Local Property Taxation in England and Wales

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Property Taxes and Government Receipts

Property taxes as such are a broad area of work and generate a significant amount of money for Government. Property taxes are tried and tested around the world and although many alternatives have been proposed and considered the taxation of property remains a good tax to administer with a high collection rate. Council tax and business rates (or non-domestic rates to give it the correct name) comprise about 10% of the total Government revenue and to replace them with any alternative form of taxation would create a tremendous burden elsewhere. I am confident that this form of taxation will remain for the foreseeable future.

Domestic Property

Council tax is raised on 23.3 million properties in England and Wales. These are valued into 8 bands (A-H) on capital value. The yield is £25 billion year on year. In 2005 Government postponed the CT Revaluation due to come into force in April 2007. It is difficult to say when the next revaluation will be but Sir Michael Lyons’ view is that any property tax system needs frequent valuations in order to maintain a fair distribution of the tax burden.

Commercial Property

Non-domestic rates are raised on 1.74 million properties. These are valued on a rental basis. In 2007/08 the rate of tax was 44.4%, or 44.1% for small businesses. This is a high tax rate compared to many jurisdictions around the world. Yield is around £24 billion a year. The Valuation Office Agency is currently revaluing commercial property rateable values and these are due to come in to force in April 2010. From a Valuers point of view this revaluation could not be done at a more challenging time. The valuation date is April 08 and the Agency faces a big challenge in analysing the market rental information in the prevailing turbulent property market.

The Valuation Process

The valuation process, no matter how you try and complicate it through automation or computer systems is a robust and simple process when broken down into the constituent parts.

Property, location and price/rental information is needed for the valuation model, be it automated or handcrafted. Surveyors should not shy away from an automated process. In our lifetimes we have moved from the slide rule to the hand held calculator and then to computer spreadsheets. We are experienced in automation; the automated valuation model is just the next logical step. The valuation process is unaffected.

Valuation is a function of

- Economic
- Legal
- Physical and
- Locational factors

Consequently the Valuer needs to have access to

- Comprehensive
- Reliable and
- Up-to-date transaction evidence.

The key theme underlying the process is accessibility of up-to-date property data. The Valuation Office holds much of this data but also needs access to property data that local authorities hold and the added value that the data held by private sector institutions and individual business can bring. The valuation technique adopted, whatever it is, is dependant upon the analysis and collection of this data. Automated Valuation Models are no different.

Some Definitions

There is a lot of reference in the property press to AVMs, to Computer Assisted Mass Appraisal (CAMA), and to the Automated Valuation Model (AVM). To clear up any confusion Computer Assisted Mass Appraisal (CAMA) is a generic term for any software package used to help establish real estate appraisals for property tax calculations. It was first adopted in America and most American states, together with Canada, now have a totally automated system for property tax valuations. Many do annual revaluations and all information is available. In North America they are a lot less protective about individual property data than we are in Europe. In the States it is possible to access someone’s address, the layout of the property and what it last sold for. We are a long way from that here. But this transparency does make it a lot easier to deal with taxation valuations as everybody can see what others are paying.

An Automated Valuation Model (AVM) generates an estimate of the market value or rental value of an individual property or a group of properties and can be as simple as an automated model for use in generating a House Price Index (HPI). The main driver of the growth of AVMs has been competition in the American mortgage industry. Applicants want instant access to applications for loans and mortgages and many AVMs where the loan to value ratio is high give instant decisions over the Internet. I think the mortgage industry is now wondering whether there was insufficient overview of the system by the surveying profession or its equivalent. Currently the impact of AVMs on the sub-prime market and the problems that arose in the States with the main property lending organisations is under review.
Automated v “Hand Crafted” Valuation

In the "hand crafted" process:
- Valuer usually inspects the property
- Valuer undertakes investigation and research
- Valuer prepares a report and valuation

An AVM is a statistical valuation model:
- Often there is no inspection of the property
- An AVM relies on large quantities of property data and attributes
- You do not need all the property attributes of a property but generally, the more the better
- In residential valuations number of bedrooms, property type/style are key property attributes
- The User inputs the address and property attributes
- The model returns a valuation.

The AVM, as a system, is only as good as the information put into it. It is like any computer programme in that statistical techniques (informed by Valuer expertise) are used to set up the model that produces the valuation. This is something consumers are unaware of and in my opinion the professional bodies in the UK and internationally have a lot more work to do to make the workings of these valuation models far more transparent.

The AVM Process

1. Indexation merely updates historic prices to current day prices based on measured trends - not just time and price; AVMs typically can use more accurate indices broken down by region/area etc.
2. Comparables are used in a way that is as close as possible to what the Valuer does in practice by finding a small number of the most comparable properties to the subject property - but often used in conjunction with indexation. From a valuer’s point of view whilst an AVM is able to provide a quick valuation - say in the context of a mortgage valuation, the process does adopt a somewhat “broad-brush” approach, and so the outcome is more of an estimation of value than a pure valuation. This is not a criticism but a warning that it is necessary to be aware of the limitations of this type of model.

Multiple Regression Analysis

MRA has been around for many years, in many types of applications, for determining which variables are the most important in determining an outcome. In valuation applications, MRA is used to determine if building size, plot size, age, quality etc affect property values and by how much. MRA is often used in other valuation related applications and research. A valuation using an adjustment spreadsheet replicates what an MRA or AVM does to determine value. MRA or AVM uses mathematical calculations to determine the price amount of the adjustments.

A regression analysis is a calculation that takes a property characteristic such as size and determines a value; similar to size adjustment. A very simplistic form of how to start building up a statistical model would be:
- A 100 sq.m house @ £2,000 per sq.m yields a value of £200,000
- This gives a mathematical equation of Y = 100X
- Where Y is the value and X is the size in square metres
Definitely a useful tool if you have a lot of similar types or slightly varying types of property but not the risk free panacea in every circumstance as is now recognised by AVM suppliers themselves.

Disadvantages

- AVMs do not take into account the property condition, there is often no physical inspection of the property and the valuation assumes an average condition that may not reflect reality.
- Purchasers relying on an AVM backed mortgage application need separate advice to establish the true condition of the property and new build is difficult to value due to a lack of comparable properties and historic data.
- Other data sources used are sometimes misleading due to concealed incentives in recorded sales prices at the Land Registry.
- AVMs do not work particularly well on large blocks of flats where intrinsic aspect can have a significant effect on value.
- In the USA, AVMs are used extensively alongside or to audit traditional inspection based valuations whereas in the UK the AVM is now used as a valuation substitute, leaving more risk for borrowers and also for lenders. The cost rather than the risk seems to be the driver, particularly where lenders take a large application or valuation fee and can retain more of it as income.
- It is important to note that AVMs have to date only been used in rising market conditions; their effectiveness in falling markets remains to be established.

AVM - Valuation Confidence

- There is more criticism of AVMs used for mortgages/loans than those used in property taxation.
- A price alone from an AVM without an indication of accuracy is meaningless.
- A valuation prepared by a Valuer should also include statements where “abnormal uncertainty” exists.
- All AVMs should return a measure of confidence along with the price. AVM suppliers express this differently. For example scale a measure of confidence on scale from 1 to 7 or a level of uncertainty on a scale from 8 to 20.
- All these measures can be translated into a valuation confidence of +/- X%.

Criteria for Assessing AVM Performance

Coverage and Accuracy coverage relates to the percentage of submitted properties for which an AVM will return an estimate of value. Accuracy refers to how close the AVM estimate of property value is to the observed market value or other standard, such as a manual appraisal.

Data quality and quantity are critical to the successful development of an AVM model. The public sector, local authorities and the VOA, already hold much quality data and although we work very closely, there is a real need for us, over the next five to ten years, to completely refresh the data. This is a major challenge which we are currently working on.
develop the holding of that data and become the public sector guardian of the data. It is an ambition of mine to take that forward in the future. Although well-developed statistical systems supporting AVMs abound their evolution has been determined largely by data availability and quality. There must be adequate coverage across time periods and physical locations and there must be sufficient detail about property characteristics to support selection of comparables.

Standardisation
AVMs present new challenges and new opportunities. There is an increasing worldwide lobby for the standardisation of some AVM features, notably those that enable users to compare AVMs on
- Confidence scores
- The cycle on which databases and models are refreshed
- Accuracy testing
- Audit

Standardisation is likely to require the collaboration of many stakeholders and may be difficult to achieve but would enable the wider use of AVMs.

My Vision of the Future for AVMs
- Emphasize that the following are my personal views
- Economists and statisticians will build more complex valuation models.
- There will be more public/public sector partnerships to share data.
- There will be growth in automated valuation techniques working in tandem with more traditional valuation methods.
- Standards/regulation for use of "stand alone" AVMs.
- AVMs are developed that are clear and transparent.
- More awareness of the limitations of AVMs; they are not always the equivalent of a professional valuation.
- AVMs become more publicly acceptable as the public are reassured about who controls the programme and refines the outcome.
- AVMs assist the production of the valuation; quality and accuracy are data and Valuer led.
- The role of the Valuer is extended into calibration, data manipulation and the understanding of statistical significance.

The integration of GIS and Computer Assisted Mass Appraisal (CAMA)
I think it is vital to integrate GIS systems with computer assisted mass appraisal. GIS adds value to CAMA models and provides a single repository of parcel geometry and descriptive data supporting workflow, updates and mass appraisal input. Integration also enables the tax assessment function of Government to be concurrent with spatial data that is relevant to the tax valuation model and supports the creation and maintenance of more accurate land records databases.

In British Columbia they have put in a full map system coupled with property data. The culture there is a lot more transparent than here and people accept that their data will be made available. Whether we will ever reach that position in Britain, and how long it will take, is a little difficult to predict. It is vital to have the full picture if you are using a computer model. With GIS it is possible to show which properties have been valued and which are the best comparables. This adds value and is the next system development. For example in Northern Ireland for their domestic property council tax revaluation they have a CAMA system and a GIS system that identifies which properties have been valued and a selection of comparables.

This is a screen shot from the IT property database of the Rating and Valuation Department Hong Kong where they undertake annual domestic and commercial revaluations. This screenshot shows the options available to the Valuer who is able to examine the ratio of the rating assessment to the rent paid. In Hong Kong 90% of all rental information is available on system so they have been able to build up a comprehensive schedule of relevant and accurate comparable evidence. This is important for a tax valuation.
Are Valuers resistant to change?

This cartoon was produced in the USA when GIS was in its infancy. American land surveyors were convinced that GIS would take their jobs and were fighting a rearguard action. Today most land surveyors will say that they would not be able to operate without GIS. We, as general practice valuation surveyors, need to recognise that the automated valuation techniques are here to assist us and as a profession we need to ensure that we make best use of them.

What is clear is that although, in the future, many valuations will eventually be carried out electronically, Valuer input will not become obsolete as they will be required to interpret, check and evaluate AVM outputs. Where Valuers chose to add AVMs to their toolkit they can add value and speed to the professional service offered.

The range of ways that AVMs are used is likely to expand and there is a growing need for information, training and discussion of AVM use. In the more established markets there is a wealth of experience in using AVMs including the choice of valuation service level, testing and audit. There is potential for stakeholders in less established markets to benefit from the experience of more established players – but only if the property data and comparable sales/rental information is available.

The opportunities for the Valuer to use AVM techniques in property valuation will be far greater than the use of an automated valuation model alone.

David J. Tretton
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The East Colchester; and the Garrison. The achievements include an overall regeneration programme of over £3 billion to address the consequences of this growth, new community buildings and landmark buildings.

A key factor in the regeneration success has been gaining ownership of key sites by working well with partners, such as the University and the use of Section 106 agreements. The slowdown in the economy has thrown up new solutions to ensure that there is strong supporting infrastructure in place to enable the sustainable growth of the Borough. An ability to tap into funding resources is one of the key factors in achieving success:- delivering on time to secure financial deadlines, examples being SRB monies in the late 90’s, regional funding, £1 million of European monies for improvements along the river, Gateway partnership and football foundation finance.

Currently the council is seeking central government funding of £10.2 million to build a new junction link to the A12 tied in with a park and ride scheme. They are also seeking match funding from English Partnership (now HCA) for £9.4 Million for further road links for completion in March 2011.

After lunch the branch members were treated to a guided tour conducted by Neil Hopkins (North Colchester project team) and Max Hudson (of Colchester Football Club) of the new community stadium which houses Colchester United football club.

The new stadium is within the North Colchester regeneration area and was allowed to be brought forward as a result of a new link road. The purchase of Cuckoo Farm gave the Borough a foothold in the area to establish its plans. The sale of the former football ground at Layer Road will generate funds for the Borough Council.

The road show continues in Wisbech on 3rd July 2009

Ian Lowe
The highlight of the first Branch meeting of the year was a tour of Derby city centre to view regeneration projects that have recently been completed and those that are planned.

Under a backdrop of clear blue skies we enjoyed a most interesting one and a half hours in the open air and commentary provided by Steve Meynell, the new branch vice Chair and Derby City Estates Officer. An article on the tour appears elsewhere in this edition of The Terrier.

The main meeting was held at Milestone House, a recently opened £2.2 million centre bringing housing services, medical support and a shelter for the homeless under one roof. Over lunch the 11 members who attended the meeting were given the opportunity to view the facilities. We were impressed by the quality (budget hotel standard) and cleanliness of the accommodation which includes 35 bedrooms for residents. We were told that the residents are generally very respectful of the facilities and able to stay for a maximum of 28 days. During this time one of the roles of the centre is to help with their rehabilitation back into society and rehousing into more appropriate accommodation. A charge of £1 per night, (£2 per night if residents stay beyond the 28 days) has recently been introduced. This has not gone down well with the residents who, to avoid paying a charge had threatened to, and indeed did for a short time, bring onto the street outside the centre caravans which they used as alternative ‘free’ night shelter accommodation.

Although only open a few months, the centre has already been home to a number of well known local characters from the streets of Derby, the most notable being ‘Geordie Boy’ who exists on a daily diet of 20 cans of ‘skol’ lager. His constant companion is his dog. Recently ‘Geordie Boy’ was distraught having thought that he had lost his closest friend, only to be overjoyed when the streetwise animal found its own way back to its master at the homelessness centre later in the day.

The aim of the centre is to keep its use ‘low key’ so there is no name or sign outside to advertise what it is. This made finding the meeting venue difficult for some of our members and totally bamboozled one who after making numerous fruitless enquiries in its locality and at the city information centre, gave up and went home.
The main meeting was mostly dominated by discussions on the current economic climate and how authorities were addressing the various valuation and retention of and support to business tenant challenges presented by the market downturn. Concern was also expressed at the possible need to reflect the downturn in value through a complete revaluation of assets, when a 20% revaluation per annum has been acceptable in a rising market. Jenny Davey, City Editor of the Sunday Times covering retail, property and private equity wrote in her column in the March edition of the RICS Business Magazine ‘until conditions improve and a much larger volume of properties are changing hands it will be impossible to decipher what anything is really worth so perhaps we should stop trying’ In respect of valuations undertaken just for accountability purposes she perhaps does have a point.

For the first time in many years no issues were raised under the standard ‘asset management’ agenda item. A complete turn around from meetings since the late 90’s when asset valuation has dominated the meetings and valuation issues almost disappeared from the agenda.

SOUTH WEST BRANCH

March

The branch held its spring meeting on 6 March at Junction 24 Limited, a newly-built auctioneering and rural business centre just off the M5 at Bridgwater. The oddity of satnavs can be judged by the fact that one attendee’s gizmo advised him to leave the motorway at junction 25!! As surveyors we were of course in no need of artificial aids to find the site, and an excellent turnout of 20 members was present to welcome our President, Lee Dawson, on his first branch visit. Lee remarked that he was delighted to be back in the south west – apparently this was his first branch as an ACES member. Lee was also pleased to renew acquaintance with our Treasurer, Alison Fisk, whom he had appointed as a Graduate Valuer when he worked at Stroud. As we went around the room introducing ourselves to Lee it became apparent that a number of us work for authorities which either had no ACES members or where the members were not often seen at branch events. The excellent trifold leaflet recently received in his remarks he commented on his desire to make contact with those authorities which either had no ACES members or where the members were not often seen at branch events. The excellent trifold leaflet recently received with The Terrier should prove to be a great help with this enterprise. Lee gave a detailed update on events and issues at a national level, and encouraged us all to remain positive despite the challenges posed by the recession. A question on ACES’s relationship with the RICS enabled him to report on a very encouraging meeting which he and other ACES officers had held earlier that week at Great George Street during which the RICS at a senior level had reassured the ACES team that the institution did value its public sector members and the advice which they gave across a broad spectrum of policy areas.

Alison reported that our funds were in excellent health, to such an extent that the branch will be making no charge for attendance at a training event on a variety of professional and technical topics which it will be holding in April. Details will appear on the website once they have been finalised. We fixed dates and venues for our future meetings and then turned our minds to a variety of topics raised by colleagues around the table. As always these were varied and showed the great breadth of matters which a public sector surveyor faces in the course of a typical week at the office.

We were then joined by David Mead, the developer of Junction 24 Limited, who gave us a very entertaining talk on the history of the project and the challenges which were faced in constructing it. After lunch David then took us on a tour of the facility and showed us one of the auction rings as well as the extensive stock-handling facilities. Our next branch meeting is on 26 June in Torbay.

WELSH BRANCH

The autumn meeting was hosted by Eversheds, Solicitors, at their modern offices close to Cardiff Bay. Following the morning business session we were joined by members of Eversheds staff for a buffet lunch and an opportunity for networking.

After lunch, the Branch received five presentations from three of Eversheds Cardiff team on a wide range of relevant topics.

The first, short presentation, highlighted the provisions of a draft measure recently introduced by the Welsh Assembly Government (September 2008) on community involvement in decisions affecting a proposal for the sale of a public sector asset. This was followed by a presentation on “Terminal Dilapidations” highlighting the process for dilapidation claims and legal basis of same.

Next we had a paper on Village Greens and the objection process and risks involved where a proposal for development raises objections on the grounds of the land being deemed to be a village green. This was followed by an update on the proposal for the Community Infrastructure Levy in Wales.

The final presentation with the title “It’s worse than that – Or is it?” was a general overview on the economy and credit crunch and other influences and their effects on the public property portfolio and possible ways to overcome the problems that they pose.

This was a very useful update on current matters of interest and the Branch expressed its gratitude to Eversheds for hosting the meeting and providing such a good afternoon seminar.

The winter meeting was held at the new, improved Bell Country Inn at Llanynie in Mid-Wales. This has been a regular venue for Branch meetings but it has been closed for refurbishment since we last met and is now completely transformed.

The Branch meeting was preceded by the Branch AGM.

Richard Allen

Bob Perry
Jonathan Fearn from Carmarthenshire was unanimously re-elected as Chairman.

Nigel Baldwin indicated that after several years as secretary, he felt it was time for a change and announced that he wished to relinquish this post as soon as a successor could be found. Whilst there were no immediate takers at the AGM, the situation was resolved at the recent spring meeting and Gerry Devine of Cardiff City and County Council has stepped forward to take up this position. The writer wishes Gerry all the best for the future and the Branch is grateful to him for taking on the secretarial duties.

March

The Branch welcomed Lee Dawson on his visit to Wales at its Spring Meeting in late March. This meeting was hosted by Bruton Knowles, at the impressive Celtic Manor Resort Hotel near Newport, which is to be the venue for the Ryder Cup in 2010.

SOUTH EAST BRANCH

January

On a beautiful winter’s day, fourteen members of the branch gathered together in Chichester for a bracing lunchtime guided tour of the historic heart of the city, hosted by Paul Over and led by two of the city’s guides with extensive knowledge of the history of the city. The cathedral and church has a strong influence here, still evident today, and the guides did an excellent job in bringing the past to life.

On a personal note, I can recall a number of SEACES meetings which Paul has hosted over the years, and he invariably manages to find something new and unusual for us to do. We have sailed down the canal, visited a superb local art gallery, explored an unusual almshouse, and done a host of other things that my ageing brain can no longer clearly recall. It must be a challenge to find something new to keep the interest of such a diverse range of local authority surveyors, yet somehow he does it every time.

After our exhausting walk, we collapsed into the comfort of the Westgate Leisure Centre and made short work of the lunch provided for our benefit. Suitably refreshed, we worked through a heavier than usual agenda and did our best to grapple with matters such as the changes to capital accounting, the sharing of local authority accommodation, proposals for a CPD day in June, the disposal strategy produced by the Heart of England branch, the forthcoming Glasgow conference, benchmarking, the issues raised by Auroux v Roanne, and, somewhat bizarrely, how much rent can be extracted from crematoria.

March

A blustery day saw sixteen members returning to the Rookwood Golf Club near Horsham for a meeting hosted by John Looley. The clubhouse is a converted timber frame building of some antiquity with a great deal of ancient exposed timberwork, and we were pleased to be able to invite David Blackmore from Savills to make a presentation on trends in commercial property management, with particular emphasis on dilapidations and service charges. David is a building surveyor with particular expertise in these areas, whereas most of the branch members (me included) have only the vaguest understanding of buildings and structures, and little understanding of the subtleties of working with dilapidations and dealing with service charges, so I think we were all on a fairly steep learning curve. Because not all of us were paying attention to David’s excellent presentation, we plan to invite him back to our CPD day to have another go.

We then settled down to the branch business, developing many of the matters previously discussed in January. Hot off the presses (and appearing under “any other business”) is the alarming case of Graham v Easington District Council which concerns a court of appeal decision on a Lands Tribunal case setting aside a restrictive covenant imposed by a local authority restricting use of land to a coach depot, because the same authority in its capacity as planning authority had granted permission for residential development. This case is likely to have some difficult consequences for many local authorities, and I anticipate local authority surveyors and solicitors being quite heavily exercised by it in the coming months.

John Burgess

NORTH WEST BRANCH

February

The February Ordinary General Meeting was held at our usual venue at Haigh Hall near Wigan. The House is set in a Country Park at Haigh and lies conveniently between the M6 and M61 motorways and therefore easily accessible to most of the North West branch members.

Twenty five members attended plus four members of staff deputising for the member. Following the usual administrative business of the meeting, the Branch Chairman, Richard Wynne of Salford Urban Vision, reported back in respect of the January ACES Council.

Professional topics discussed included the use of residual valuations in the new accounting standards and the new surface water drainage charges introduced by United Utilities and the significant effect on some Council’s budgets.

The meeting then received a talk by Peter Snow of the District Valuer Service on the topic of International Financial Reporting Standards and the likely changes that will be required to asset valuations in the future. Members were reminded that the changes will likely be required from April 2010 but that the baseline for valuations needs to be set up before that and possibly from April 2009, if the necessary information has been made available.
April

The April Ordinary General Meeting was also held at Haigh Hall near Wigan. The Branch was due to have the ACE5 President, Lee Dawson, as a guest but, due to matters arising at Hounslow, Lee was unable to attend. Fortunately Lee will be joining the Branch at the Summer OGM to be held in June at The Carnforth Station Visitor Centre.

Twenty one members attended plus two members of staff deputising for the member.

The Branch Working Group organising the Spring Conference 2010 to be held in Liverpool updated the meeting on progress and were delighted to announce that a Headline Sponsor had been attracted.

Peter Marsh of Bolton Metropolitan Borough Council gave a talk on the Carbon Trust Local Authority Carbon Management Programme and the Carbon Trading Scheme. He described how Bolton has agreed a strategy and timetable to reduce the Council’s carbon footprint and the likely savings to the authority over the next five years.

One fact was that buildings accounted for 70% of total fuel costs and street lighting 20%. Although always in the firing line for action, vehicles accounted for only 5%.

Peter quite rightly pointed out that any new buildings must incorporate the latest technology and plant to reduce energy and that sometimes this is affected by last minute savings and therefore cuts in construction costs. This should not and must not happen, as the cost of retro fitting plant is a very expensive exercise.

A long discussion on the various methods being introduced or planned by other North West authorities followed Peter’s talk.

Peter has been a valued member of the North West branch and it was therefore with mixed feelings that members were firstly informed and secondly congratulated Peter on his appointment to the new Cornwall Unitary Authority to operate from Truro from April 2009.

As with other branches, the north west branch is losing members following local authority reorganisation and members wished those members and staff affected by the Cheshire reorganisation all best wishes for their future. Ian Gould, a former Branch Chairman, has taken early retirement from Cheshire County Council.

Keith Jewsbury
CURRENT ISSUES FACING THE PROPERTY WORLD

A transcript of a speech given by Philip Lewis FRICS
Chief Executive of Lambert Smith Hampton at the
Centenary luncheon in The Guildhall City of
London on Friday 14th November 2008

Biographical notes supplied by The President Lee Dawson FRICS

Philip Lewis is a Fellow of the Royal Institution of Chartered Surveyors and first started work with Conrad Ritblat in 1972. He has been actively involved in all aspects of investment and development in the commercial and residential markets throughout his career. He has held senior positions in Milner Estates, Safestore Plc and Hines UK the international property developer. He is currently Non-executive Chairman of Preventicum UK Ltd, which has developed Europe’s safest and most advanced executive health screening programme targeting the corporate market. Additionally he spent 6 years as a consultant to Drives Jonas and is now on the European Advisory Board of Cushman and Wakefield. He was President of the British Council of Shopping Centres in 1998. He is the newly appointed, as from January 2009, chief executive officer of Lambert Smith Hampton.

Property aside Philip is very interested in sport and in 2003 was appointed by the Department of Culture Media and Sport to the London Board of Sports England and in 2004 was selected to chair The Sport England Board for London until the expiry of his term at the end of 2007. In 1993 Philip and I worked together on the Wycombe town centre scheme. Philip and his team were appointed by the council to help us. I feel sure he will give us an interesting view on current market conditions, some thoughts for the future, and hopefully an insight into his experiences during 36 years in the business.

As Lee mentioned he and I got to know each other back in 1993, when he was at Wycombe District Council and I was at Conrad Ritblat. Conrad Ritblat were asked to compete for the advisory role in connection with a prime town centre site in High Wycombe. I remember well the presentation we gave to Members. I was told quite clearly that our team and I had 40 minutes to present and my watch was firmly next to me on the table throughout. After 20 minutes the Chairman interrupted to say, “Mr. Lewis you have 5 minutes left!” So I had to rush through the rest of the presentation in fear of jeopardising my chances of success. However, we did get the job, so when Lee asked me to speak today to propose the toast to The Association I asked how long he wanted me to speak for and he said 10 minutes. But if after 5 he starts coughing and nudging, I will have to decide, this time, whether to defer to the new President or press on regardless.

Today it is not possible to have a conversation, or read a newspaper without reference to the current economic turmoil that is affecting each of us in different ways. However bad it may seem right now it does no good blaming anybody but it is important to keep things firmly in perspective, markets go up and markets go down.

What is important is a long-term commitment to a strategy particularly if you are working on complicated projects, where many different parties have got lots of different agendas and different ways of measuring their success. This financial crisis is no surprise after all there had been unprecedented growth much of it fuelled by the assumption that asset values would continue to rise. And without wishing to upset anybody here in the City the crisis was also brought on by a very cheap and plentiful availability of debt with some Banks prepared to lend to anybody who could fog a mirror, (that is not my joke I got it from somebody else) and to, in many cases, people with no relevant track record whatsoever.

The good guys, that is to say those of us with a long term involvement in the market, are left to pick up the pieces in a market that cannot function without Bank finance and with financial institutions spending most of their time managing distress situations with rarely the concern for the public realm.

Looking back, the private and public sectors were not necessarily ideal bedfellows. When I started work a private developer was not interested in a local authority or its requirements, but just wanted a valid planning permission with no strings attached and had no real concern for the public realm.

At the same time public sector partners were a bit naive and unsure about just how important their role could be. When I started work a private developer was not interested in a local authority or its requirements, but just wanted a valid planning permission with no strings attached and had no real concern for the public realm.

Through the 1980s the balance started to shift and now crucial decisions are not made now.

However bad it may seem right now it does no good blaming anybody but it is important to keep things firmly in perspective, markets go up and markets go down.

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At the same time public sector partners were a bit naive and unsure about just how important their role could be.

Through the 1980s the balance started to shift and now there is a proper understanding that the requirements of the public sector bodies are key to regeneration and to some of the larger development projects we have witnessed throughout the UK.

The latest big regeneration project is the Westfield Shopping Centre in Shepherds Bush, a tricky part of London to say the least, surrounded on one side by some of the most expensive homes in the UK, and on the other side by troublesome residential estates. Although it is early days to judge the project’s success it does incorporate superb new public transport links, ie trains, underground and buses, and is a real urban regenerator. I imagine Hammersmith or Fulham are feeling proud of this project.
£425,000,000
Raised through Auction over the past 5 years for our public sector clients.

COLLIERS CRE

Simon Rigpall  Tel: 020 7487 1700
simon.rigpall@collierscre.co.uk
The private sector’s role is to take risks, and it should be properly rewarded for doing so. While markets were booming this was quite straight forward particularly as Gordon Brown, when Chancellor, had promised an end to boom and bust. Sadly that has all gone wrong and we are now faced with some difficult times ahead without doubt.

Site values are plummeting. There is minimum demand for new commercial buildings and hundreds of completed new homes remain unsold. But the property business is not just about new projects and, at times like this, we need to keep the home fires burning by managing our existing assets as efficiently as possible in order to maintain crucial income streams and keep tenants happy.

Many public sector groups have been very pro-active and creative with regard to their investment in operational assets, some teaming up with partners to procure the best skills available. So as real money becomes harder to find, and banks restrict lending, I suspect we will see human capital, people of real quality, coming on to the jobs market and this could be a superb opportunity for well trained professionals to move from the private sector to those public bodies that may have struggled to compete for this talent in the recent past.

The pendulum is definitely swinging and I feel that organisations such as ACES will find an ever-increasing role to play along side some of the other industry bodies such as the RICS.

Looking to the future very few transactions are taking place and we read that the publicly quoted property companies and institutions are reporting dramatic falls in their net asset values and none are making any new investments. We hear too of numerous new funds being set up to take advantage of the distress but so far none have put their toe back into the market.

Banks, of course, are fundamental to the investment and development markets but they have virtually shut up shop at present. The assets you hold will be suffering too so this is a vital time to actively manage portfolios and plan properly for market recovery.

It is also a perfect time to plan ahead as there is no chance to sell at realistic prices and developers are no longer hammering on your door to get their schemes in front of you. I suspect too that at the moment good quality professional advice is readily available as consultancy firms rebuild their order books.

Hence now is the perfect time to look more closely at any site assembly you may have, as you might be the only buyer in town and in a strong position to promote a future scheme without a difficult or obstructive landowner. Most of my comments apply equally to both commercial and residential markets.

Those of us that have owned homes for a few years will have seen considerable capital growth but the crucial issue is affordability, not what it is worth. However the real problem with the housing market is not only a lack of demand from buyers but the availability, and to a lesser degree the cost, of mortgage finance.

I am convinced that once the lenders are back in business, encouraged by their new Central Government owners, the housing market will crawl out of hibernation and it will not be long before we see activity, rising prices and talk again of a shortage. But do not ask me to say when that will be.

What is interesting, if we look back, is that in real terms office and commercial values have been falling with occasional peaks when markets boom. On the other hand residential values have tended to rise continually with occasional troughs like right now.

But I remain convinced that we all need a roof over our head and a place to work and I do not see that changing. However, for the moment, money is tight, values are falling, demand has slowed to a standstill and we are in a recession. Not a great beginning for the new Presidential Year.

And unemployment will probably rise to 2 million before the end of 2008, sterling is under pressure and factories will be taking longer than usual breaks over Christmas. But it will get better.

I am looking forward with a degree of optimism, as I believe that once this crisis works its way through the system, which will certainly take all of 2009, and maybe longer, we will have a chance to work in normal market conditions without the feeding frenzy we experienced up to summer 2007.

As one of my former bosses said, there are fund managers out there I would not send to Tesco to do my shopping let alone look after my hard earned cash. I have learnt a lot from the people I have worked with.

The key message is that property is a long term business, investments grow, risks are taken but fundamentally, as with most other businesses, the key factor is quality day to day management.

As I said earlier it is important to keep things in perspective. Interest rates are falling, so construction costs will also fall and usually these are good for our markets.

But the RICS commercial property survey revealed that for the third quarter of this year demand fell at the fastest rate for a decade.

What can we look forward to? Undoubtedly 2012. The Olympics will be the biggest single regenerator, not just for East London, but also for the South East and beyond.

No one knows if it will be 9 billion well spent but it will be an incredible catalyst and my prediction is that in 2011 markets will be bubbling again as we look forward to the summer of 2012.

And peering through the gloom I ask you to remember that reputation, not bricks and mortar, is the most valuable asset we have. And reputation is very hard and slow to build, but so easy to lose.

In conclusion, thank you very much for asking me to join you today, and I would like to ask all guests to join me in congratulating ACES on its centenary and I wish the President and all ACES members every success for the future.

Philip Lewis
LONG TERM ASSET MANAGEMENT

THE BUILDING AND SALE OF THE MANOR HOUSE
BURY ST EDMUNDS
1735 TO 2007

William Marshall FRICS and Betty Albon FRICS,
Corporate Property Officer, St Edmundsbury Borough Council

Acknowledgements:
We are grateful to the Borough Council for its support in the preparation of this paper, and commend the excellent book “The Manor House, Bury St Edmunds, A Short History” by Dr CB Rowntree, a well-researched and comprehensive document and the source of much of the factual material in this paper.

Introduction
The subject of this paper is The Manor House. There is a supporting role for the house next door known as 5 Honey Hill. The story is set out in chronological order. It extends over 270 years.

The Property and its Surroundings
The property is situated in Honey Hill and the immediate surroundings are residential. The town centre is a few minutes walk to the northeast. St Mary’s Church and the Shire Hall are close by and the Cathedral is just across the Churchyard.

1735 to 1738
The first Earl of Bristol, John Hervey, and his wife Elizabeth, lived in Ickworth House on the extensive Ickworth Estate a mile or two to the south of Bury St Edmunds. The Hervey family owned a house in the town situated on the site of the subject property.

This was demolished to make way for the building of The Manor House. Construction began in 1735 with completion in 1738. The architect was a local man, Mr (later Sir) James Burroughs who later was involved in the building of a number of Cambridge colleges.

Somewhat mysteriously he is always referred to as a “well known amateur architect.” The house though extensive and impressive was not primarily built for residential use. It was described as an “entertaining house” and its layout, even today, shows a remarkable absence of the usual domestic facilities.

Adjoining and to the east is 5 Honey Hill a much older timber framed house much adapted and knocked about over the years. The properties demolished to make way for The Manor House must have looked much like this.

I feel sure that at the time their demolition must have caused much dissatisfaction and protest, Bury being Bury, albeit conducted in a far more discreet manner as the Bristol Estate was involved. The tendency for much more virulent and uninhibited protest would have to await the coming of the far softer local authority target a century or two later.

Tragically the house seems not to have brought the family much happiness. Lady Bristol died in 1741 leaving the property to her youngest son Felton and eventually the house passed out of the Hervey family ownership in about 1782.

An extract from its Grade I Listing Notes reads:
Red brick: Flemish Bond on the front, English Bond on the sides and rear, with a high moulded stone plinth, rusticated stone quoins and stone details, tiled roof with a plain parapet above a moulded stone cornice.

EXTERIOR: 2 storeys and basement. 9 windows, arranged 3:3:3, the centre breaking forward with a triangular pediment and stone quoins. All windows are 15-pane sashes with eared stone architraves on stub brackets. The central double entrance doors are approached by a flight of stone steps with cast-iron railings. 12-panel doors, round-headed and recessed; a stone doorcase with semicircular arched opening with architrave, pilasters and a segmental pediment on long console brackets.

To the west of the main range a high C19 extension has a screen wall in red brick with white brick dressings: this links Manor House with No. 6 Honey Hill (qv). It has a large arched central recess, flanked by smaller recesses with bulls-eye windows above, and formerly contained a squash court. The parapet, with a moulded brick cornice, is continued round the sides and across the back of the house.

On the east of the rear is a large canted bay, added in the early C19: 3 long narrow 12-pane sash windows to the upper storey have 3 smaller sashes immediately below them. The centre breaks forward slightly with three 15-pane sash windows to the upper storey and a larger central 15-pane sash...
window below, set into a former doorcase and flanked by 2 blocked windows.

On the west, a 15-pane sash to each storey and a small 9-pane lower sash. All the windows on this front have dressings and flat gauged arches in darker red brick.

INTERIOR: retains its original C18 fittings with ornate plasterwork and woodwork, carved fireplace surrounds and a fine stair. The entrance hall is paved with limestone flags. A triple arched arcade with a higher central arch leads to the rear hall and stair, which has very light vase-on-reel balusters, open strings with ornate brackets, a ramped and moulded handrail and a bolection-moulded dado. At a higher level a plaster band of vitruvian scrolls. All the rooms have heavy enriched modillion box cornices, often also with a plaster band of egg-and-dart ornament. 6-panel doors with raised fielded panels and panelled reveals; panelled internal shutters, some enriched with bead-and-reel ornament. The fireplace in the entrance hall is particularly ornate, but all the fireplace surrounds have a variety of decorations, including egg-and-dart, dentils and bayleaf on the architraves. The dining room, to the left of the entrance hall, has 2 supporting fluted pillars with Corinthian capitals at one end and matching pilasters along the walls. The Saloon or ballroom above has an enriched coffered ceiling.

1782 to 1947
The first sale took place shortly before 1782 and the first out of the family owner was Dr Charles Mandeville. On his death he left the house to his spinster daughter-in-law Elizabeth Halsey who in turn died in 1795. There were 7 owners; in all probability most were occupiers too, until 1908 when the Honourable Walter Edward Guinness, Baron Moyne, bought Manor House. As local MP he sold the house in 1933 and then went on to take high Government Office. Eventually he became His Majesty’s High Plenipotentiary in Egypt during the Second World War, where, unfortunately the Stern Gang assassinated him. There were 2 other owners after that although at times the property was used as Judges Lodgings and part was requisitioned by the National Fire Service. In 1947 Doris Ellen David sold the house to West Suffolk County Council.

1947 to 1985
The House was close by the Shire Hall and for this period in its life it was regarded as part of the Shire Hall Complex and used as local government offices.

Meanwhile PRE 1974
Government had set up a Royal Commission, chaired by The Rt. Hon. Lord Redcliffe-Maud, to consider the future shape of local government and after 4 years work The Redcliffe-Maude Report emerged in 1969. This proposed a radical reorganisation of the existing structure as well as some revolutionary and innovative fundamental changes affecting traditional boundaries. Needless to say the politicians managed to eliminate most of the latter but the radically reorganised structures were set to begin to operate from 1st April 1974.

1974
Following Local Government Reorganisation the new authority Suffolk County Council came into being on 1st April 1974. It was an amalgamation of the 2 separate authorities East Suffolk County Council and West Suffolk County Council. During 1973 a shadow authority had been set up to make strategic decisions including property matters. First and foremost it was decided that the new headquarters would be in Ipswich, with smaller area offices elsewhere, including Bury St Edmunds, and hence much of the old West Suffolk headquarters complex was likely to be redundant.

This complex comprised
- The Old Shire Hall and adjoining buildings, mainly courts but with some office content.
Before reaching that date however St Edmundsbury instructed.

set for 31/05/1985, local agents Lacy Scott were

and Horses, 5 Honey Hill, and The Manor House was

A sale by auction of 79 Raingate Street, The Coach and Horses, pub next door, let.

5 Honey Hill, used as offices.

The Manor House, offices.

Various buildings in the old garden, used as offices

Sparhawk St garages, the former coach access to the site, used to house maintenance machinery and for storage.

3 Honey Hill, a big converted residential property, used as offices.

3 & 5 St Mary's Square, elegant extensive converted residential properties used by senior staff as offices.

In the event the only immediate decision we could obtain was to sell 3 & 5 St Mary's Square and this was done. We had not reckoned on the remarkable reluctance to consider change and, in any event, the politics of the matter was not to push too hard, for the moment. Consequently it took nearly a decade to free the next tranche comprising 79 Raingate Street, The Coach and Horses, 5 Honey Hill, and The Manor House, and the Sparhawk St garages. The project ran out of steam.

In high excitement I went along to inspect the vacant properties. I discovered that nothing had been thrown away for 40 years! It was the biggest collection of broken furniture, fixtures and fittings I had ever seen.

During the extended discussions a myriad of voluntary responsibilities and so was able to assess just what was stored in the extensive portfolio of converted storage properties. I discovered that nothing had been thrown away for 40 years! It was the biggest collection of broken furniture, fixtures and fittings I had ever seen.

Secondly it also became obvious that the public sector occupation had not acknowledged the Grade 1 listed building and by now it was beginning to look tired and uncarred for. After a prolonged and debilitating battle of attrition to free 5 Honey Hill and The Manor House from Council office use the Education and Social Services staff eventually, and reluctantly, moved out.

In high excitement I went along to inspect the vacant premises but was unable to detect much difference. During the extended discussions a myriad of voluntary organisations had been moved into the buildings and each demanded that if I wanted to sell then I must find them alternative premises and pay for their moves.

1983

A sale by auction of 79 Raingate Street, The Coach and Horses, 5 Honey Hill, and The Manor House was set for 31/05/1985, local agents Lacy Scott were instructed.

Before reaching that date however St Edmundsbury Borough Council made it known that it was interested in buying the property and asked that the auction be cancelled, an action I was not inclined to take. High-level exchanges then took place between chief officers and senior members following which I was instructed to cancel the auction and negotiate a sale to St Edmundsbury Borough Council.

The council had in mind using the property as a Museum. A deal was struck and solicitors were instructed. Before completion we were told that there was now a probability that the Bristol Estates would fund the conversion to Museum and so the transfer should be made direct. The sale of The Manor House, 5 Honey Hill, 4 Honey Hill and 79 Schoolhall St, was completed on 01/07/1985 for £240,000

Despite much endeavour the Bristol Estates Museum failed to materialise and in 08/12/1988 The Manor House and 5 Honey Hill were sold to the Borough Council by a company called Gridreel Properties Ltd, understood to be a Bristol Estates property holding company, for £450,000. Along the way on 14/07/1987 Gridreel had sold 4 Honey Hill and 79 Schoolhall St to BSE Town Trust for £60,000

Interestingly, West Suffolk County Council, the authority that bought the house in 1947, whose headquarters were just around the corner, lost it through Reorganisation Property Transfer in 1974 only for the Bristol Estates Museum to come back into local authority ownership when St Edmundsbury Borough Council, probably about one third of the former county authority, bought the property back.

In 1993, after substantial expenditures, the Museum of Fine Arts and Horology opened its doors to the paying public. Unfortunately, fine facility though it was, and much prized by the local great and good, too few members of the paying public came to see it.

For the next 10 years the Borough Council lavished maintenance on the fabric all for the benefit of the few hundred people that bothered to grace its doors. In 2003 the Asset Management and Service Review of Heritage Services concluded, inter alia, that the Museum should be closed and the property sold. The doors finally closed early in 2006.

The Sale Process

The decision making process to close the museum and sell the property was fraught with huge political difficulties and inevitably led to vociferous opposition from local pressure groups although there was little evidence of any grassswell of local opinion for or against closure.

Extensive correspondence in the local press against closure comprised letters from “concerned” individuals worldwide, usually written in a similar vein, plus a steady stream of letters written by members of one particular pressure group. As it became clear that the Council was unlikely to change its mind, and to give them their due the Members stood firm, the opposition took on a more personal tone and their ire was first directed at the erstwhile “excellent and hardworking” museum staff and later, of course, at those likely to be handling the sale.
It was against this background that the professionally exacting task of preparing the property for sale began.

Method of Sale
Clearly an early decision on method of sale was needed. This proved to be quite straightforward. We took the view that auction and private treaty could be easily disrupted and the obvious way forward was contractual tender whereby when a successful tenderer was identified, offer and acceptance would immediately establish a contract.

And as it was known that a Museum Trust had emerged from part of above mentioned “vociferous opposition” and would be participating in the sale process in order to re-establish the museum, it was considered a safer option to accept and evaluate tender bids on the 2 bases, price and well-being and price. [NB This was pre-Quirk but community ownership was already looming on the horizon.]

After the museum closed its doors it soon became apparent that the clearing of the building was not being tackled with much vim and vigour. Accordingly a timetable was put together working backwards from “sale completion date”, agreed by members and circulated to all involved.

To further bind everyone into the agreed process it was decided to include an additional step into the sale process ie the forthcoming sale to be advertised ahead of the building being cleared and any interested parties were asked to register their interest in purchasing the property. This effectively locked everyone, members, property people, legal advisers and the service into the whole process and the agreed timetable.

Accordingly the disposal was first publicly advertised on 16/09/2006 and interested parties were asked to register their interest in purchasing the premises.

Bravely this was before the premises were cleared, before any substantial sale documentation had been prepared, and whilst others were making strenuous efforts to persuade the council to reverse its decision, but it certainly helped all concerned to focus on the realities.

Now urgent decisions in principle were needed on planning and the form of tender offer, or offers, required.

The Planning Saga
The Grade 1 Listing brings in English Heritage, a factor that had not escaped the attention of the opponents to closure. EH were already apprised of “the facts” before we got in touch. We expected securing some “saleable” planning consents would be a difficult and frustrating process – and we were not disappointed.

The Manor House (including 5 Honey Hill) had an existing planning use as a museum, café and offices. We felt some sort of residential use was the best option for sale purposes with office use as a back up.

In pursuit of residential we thought splitting the whole property into 3 units was a possibility (based on the 3 distinct elements of the whole property) plus a couple of cottage type units on the unused land at the rear. Failing that a split into 3 residential units or a split into 2 residential units based on the 2 postal addresses rather than the natural internal divisions of the property.

After discussions and consultations a number of planning applications were made and bizarrely an early office consent was achieved but an approval for the residential use of a property built as a house and used as a house for 209 years was more elusive. Eventually we forgot about the additional units and the 3 way split and went to the market with an undetermined application for a residential use of The Manor House and a residential use of 5 Honey Hill as 2 separate entities.

The Particulars
We opted for comprehensive paper particulars in the form of a purpose-designed folder containing a comprehensive set of information. The whole pack turned the scales at two and a quarter pounds weight! In addition to the comprehensive Property Particulars and Tender Procedure and Conditions we included

- Land Registry Information
- Title Plans
- Viewing arrangements schedule
- Detailed drawings
- Survey and Condition Report
- Historical Context booklet
- Planning Permissions
- The Form of tender
- Transfer document
- Applicable Standard Commercial Property Conditions

The Sale Process
The availability of the property was finally advertised in the usual journals and the local press in early December 2006. To recognise the activities of a local trust formed to acquire the building and re-open the museum, the sale process allowed for the submission of tenders on the basis of price or well-being and price. Accordingly 2 separate tender assessment procedures were needed ie best price and price plus deemed well-being benefit.

Closing date was noon on 21st January 2007. The race was on!

I Aint Afraid of No Ghosts
To make the process manageable viewings were limited to fixed days of the week and by prior arrangement. The task of controlling viewers was mainly left to William and Des Whymark the building surveyor in charge of the building. Des and I spent many a chilly winters day in...
that mausoleum and it was not surprising that both of us were hospitalised soon after.

What neither of us knew at the time was that there were eleven recorded ghosts in the building including the maid who hung herself in the attic bedroom and the butler still plodding his weary way between the dining room and the wine cellar.

We were first alerted to these phenomena when Nigel the painter, hired to give the interior of the building a quick “tosh over,” found it very difficult to work in a particular first floor room and then I began to notice a particular chill in one room and kept a careful eye on visitors as they crossed that threshold and most noticed the same chill too. Events began to come to a head when we noticed heavy water saturation on the main staircase on two separate occasions.

As there was no way this could have come into the building through the ceiling or walls we had to assume that the aforesaid butler had deviated from his usual route to find the staff lavatory accommodation of the first floor – but never made it.

As I shooed the final viewer out at dusk on a winter’s afternoon I found that my lock-up procedure starting from the upper floor and down to the side ground floor door got quicker every time.

The Well-being Assessment Process

The Council knew from numerous meetings between the leading lights of the trust and officers and Members that the local trust intended to make a bid. We also knew the trust had no funds and had put forward an optimistic business plan assuming a whole sea change of attitudes from local residents if it was to be realised. The assessment process, to quantify judgment about wellbeing bid plus discounted price, against highest tender bid, was thought through and committed to paper long before the tender closing date was reached. We assumed it would be subject to the highest degree of scrutiny.

The adopted assessment criteria were

1. Deliverability and sustainability; ie valid business plan, no financial assistance and effective governance
2. Community benefits; ie social, economic and environmental community needs, uniqueness and gaps in community provision
3. Number of users/beneficiaries; the number of direct beneficiaries as supported by market testing
4. Additional inward investment; likely third party funding that the proposal will attract in terms of capital and/or revenue
5. Contribution to the Council’s priorities ie how the wellbeing and price bid supports the Council’s Corporate Plan priorities.

An objective scoring system was adopted and the total scores from the 5 criteria were to be plotted against the highest tender bid on the basis of an ingenious graph. The maximum possible discount for community benefit was 50%. Bids scoring less than 25 were to be rejected.

William Marshall and Betty Albon

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William Marshall and Betty Albon
Asset valuations for capital accounting – updated position regarding adoption of international accounting standards (IFRS)

I am aware that a growing number of ACES members who undertake, and private sector surveyors who are commissioned to provide, valuation services for preparing valuations for the balance sheet, are very concerned about the implications of the introduction of IFRS (international financing regulations). This concern comes from valuers not having guidance to advise their finance colleagues, and similar concerns from accountants not understanding how to interpret their own guidance from CIPFA. On top of this, we have external auditors saying what they will be requiring, from their interpretation.

Before getting into the detail, one of the main areas of confusion seems to be the date IFRS is adopted and implemented. Although it is clear that 1 April 2010 is the key date, does this mean that the opening balance sheet figures at 1 April 2009 will need to be restated? As an example, this date means that the opening balance sheet figures at 1 April 2009 will need to be restated. As an example, this date would be the first date that accruals for holiday pay for 2008/09 would need to be established. The work that needs to be started in this and other areas will be discussed in more detail in the forthcoming LAAP Bulletin on 2008/09 accounts.

There have been concerns that the move to IFRS could potentially impact on Council Tax and housing rents. CIPFA is already in discussions with the Department for Communities and Local Government and the devolved administrations in Scotland, Wales and Northern Ireland to ensure any impacts can be minimised, if not avoided, and we anticipate that any necessary measures will be in place in time for authorities to set their 2010/11 budgets.

To assist authorities further with the transition to IFRS, we are making the sections of the draft IFRS-based Code of Practice on Local Authority Accounting available as they are developed, via the CIPFA/LASAAC web site: (http://www.cipfa.org.uk/pt/cipfalasaac/ifrs.cfm). Development of the new Code has been planned so that the areas where changes are anticipated are prioritised. As well as the draft sections of the new Code, the site also provides background information, together with reports outlining the impact that IFRS will bring.

Dear Colleague

As you will be aware, from 2010/11 local authorities will prepare their accounts in line with International Financial Reporting Standards (IFRS). This follows the announcement by the then-Chancellor in the 2007 Budget that public sector accounts were to move to an IFRS basis.

The move to IFRS is bringing a number of accounting changes. Local authorities have already taken a first significant step with the implementation of the IFRS-based financial instrument standards in their 2007/08 accounts. Changing the accounting approach for PFI/PPP schemes for 2009/10 is (subject to approval by CIPFA/LASAAC and the UK Accounting Standards Board) likely to be the second key step towards IFRS implementation.

One of the important lessons to be learnt, both from the private sector’s experience of implementing IFRS, and the experience of other parts of the public sector that are implementing IFRS in 2009/10, is that early planning and preparation are essential to ensure a smooth transition.

Although CIPFA is doing everything it can to minimise the impact of the move to IFRS, there could be impacts on systems (such as financial ledgers and asset management systems), processes and staff (including non-finance staff such as valuers).

I would therefore like to bring your attention to Local Authority Accounting Panel (LAAP) Bulletin (number 80) which can be downloaded from http://www.cipfa.org.uk/pt/pt_details_l.cfm?news_id=59848. This provides an outline project plan that authorities can use as the starting point for their own, more detailed, IFRS implementation plans.

To assist authorities further with the transition to IFRS, we are making the sections of the draft IFRS-based Code of Practice on Local Authority Accounting available as they are developed, via the CIPFA/LASAAC web site: (http://www.cipfa.org.uk/pt/cipfalasaac/ifrs.cfm). Development of the new Code has been planned so that the areas where changes are anticipated are prioritised. As well as the draft sections of the new Code, the site also provides background information, together with reports outlining the impact that IFRS will bring.
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have on authorities, and the actions they should be considering. This gives authorities the opportunity to review the new accounting requirements as early as possible, and to comment on them, prior to the formal consultation that is planned to commence in June this year.

Another aim in early release of the draft sections of the IFRS-based Code was to enable us to correct any misconceptions that may arise. For example, authorities have expressed concern that they will be required to separate all assets into components for the opening IFRS balance sheet. In fact the draft Code makes it clear that only significant components are required to be separately recognised (and can be grouped where they have the same asset life and depreciation method), and that this requirement will only apply as assets or components are acquired, replaced or revalued after 1 April 2010.

CIPFA is committed to supporting local authorities through the move to IFRS. In addition to the technical guidance available via the CIPFA/LASAAC web site we are providing a full range of publications, courses and workshops that can be accessed via the main CIPFA website.

The Technical Enquiry Service (technical.enquiry@cipfa.org or telephone 020 7543 5888) is also available to respond to specific queries. We will also be happy to discuss any further suggestions for advice and guidance that authorities identify as IFRS implementation proceeds.

Yours sincerely,

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The PSVG on 27 April considered a draft of a rewrite of the Red Book UKPS 1.12 and Appendix 1.5 – ‘Local authority asset valuations’. The best way to cover the changes valuers will have to make to meet IFRS requirements is to use the draft as the basis for my report.

Basis of value – this will predominantly be Fair Value. Exceptions are for infrastructure and community assets, which will remain as historic cost. For specialised assets, DRC will be used. There is still not clarity exactly how fair value is to be defined for the public sector.

It will definitely be market value for non-operational and surplus assets, but the jury’s still out about the rules for applying fair value to operational assets, where there may still be a need to reflect their continued use for service delivery. IASB will shortly be publishing a consultation paper on the definition of Fair Value.

The valuation of council dwellings will also be fair value, but will continue to be measured using EUV-SH.

We will still be required to value over a 5 year cycle, but more frequent valuations undertaken where there are significant and volatile changes which mean that the fair value is very different from the balance sheet amount.

Leases – the draft rewrite tries to clarify the treatment of leases, by clearly separating the position of the local authority as lessee and as lessor and the accounting position for operating and finance leases (all based on CIPFA’s draft Code). Note – we should already be assisting in lease classification – this is in place now.

Although it is predominantly an accountant’s role to determine and then treat how operating and finance leases are classified, valuers are encouraged to be involved. The criteria are set down in IAS 17, which centre around which party has the risks and rewards of long-term property ownership.

As a rule of thumb, the sort of leases we grant today for economic development purposes (housing estate shops and industrial units for 5 years) are likely to be operating leases; also, ground leases – even when 150 or more years – are of land which has an infinite life and are also operating leases.

Confusion starts to set in where a lease is recognised as an investment (see IAS 40). These are deemed to be finance leases (see Investment property below).

One final point on leases – there are different valuation requirements depending on whether they are operating or finance leases and it was agreed at the meeting that current guidance is causing confusion for practitioners. Better guidance will be given on whether it is the actual lease rents which are being capitalised, or the value of the underlying property (which happens to have a particular lease at the time of valuation).

Investment property – both the draft CIPFA Code and Red Book rewrite are very clear on this point – property that is used to facilitate the delivery of services or production of goods as well as to earn rentals or for capital appreciation does not meet the definition of investment property.

This is a very important point and you will need to reappraise, with finance colleagues, those assets that are currently classed as investment assets - even though the rents are nice to have, we are generally (or historically) holding the ‘investment’ properties for service delivery purposes, particularly economic development. I expect that for most local authorities, the class of investment assets will shrink to almost nil – if any dual use is acknowledged, they are not investment properties.

If you do shift non-operational assets out of investment property, they will need to be classified as operating or finance leases and land and buildings will need to be split for accountants’ depreciation.

Depreciation and componentisation – valuers are already required to split asset values into land and building components. Under IFRS, depreciation allowances are to be recognised on a component basis where a component or components have significant value, and the components have different asset lives.

There was an interesting discussion at PSVG on long-term property ownership. The criteria are set down in IAS 17, which centre around which party has the risks and rewards of long-term property ownership.

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There was an interesting discussion at PSVG on long-term property ownership. The criteria are set down in IAS 17, which centre around which party has the risks and rewards of long-term property ownership.
Towards a robust approach with only a few components being identified. The word we must take heed of is ‘significant’. It was agreed that while ‘significant’ cannot be prescribed, depreciation would only distinguish where a component has a significantly shorter life, as high value components with the same life are grouped together anyway. The very obvious different lives which we already deal with are splitting land from buildings – say, broadly, land = infinite; buildings = 40/50 years.

We are already ‘componentising’ to that degree & it is a requirement of the current CIPFA SORP that we do provide this split. It was agreed that a subset of PSVG and CIPFA would work on additional guidance for componentisation – which might include examples of component accounting – to give a steer on limiting the extent componentisation is applied. I hope to be a part of that group.

I know that some valuers apply a ‘rule of thumb’ for splitting land from buildings but the RICS Red Book does outline proper methodologies to be applied.

CIPFA confirmed that the current advice to Finance Directors makes it clear that componentisation need not be considered until 2010 and is not included in the transitional requirements.

Because of the extra work involved in providing a more detailed breakdown of assets, in order to soften the blow, CIPFA will phase the introduction of componentisation. In the first year it will apply to properties where there has been major capital spend (new & existing assets), but also those due for revaluation in that year. For most authorities who undertake revaluation on a rolling 5 year programme, the new-style componentisation will therefore take 5 years to work through.

Assets held for sale – there is to be much stricter criteria for identification of surplus assets. The rule is to restrict these to those which are expected to sell within one year. However this is not a mandatory requirement, but you may need to reconsider what assets you do class as surplus.

PFI – there was some discussion on the IFRS treatment of PFI assets. RICS is reluctant to include this in the draft rewrite, but they are affected by the new accounting rules.

It is intended that the draft rewrite of the Red Book UKPS 1.12 and Appendix 1.5 will be presented to the Red Book Editorial Board on 21 May. Hopefully it will soon therefore be available for wider consultation. We also have the CIPFA consultation paper on Fair Value, which might contain some surprises.....

Members of PSVG agree that a seminar on the impact of IFRS on capital accounting for valuers would be useful. I am therefore working with the representatives of RICS, VOA, IRRV, and the private sector, to see if a joint ACES/other event can be arranged, once guidance has been drafted.

Betty Albon
Valuation Co-ordinator, ACES

THE POST PROJECT EVALUATION OF THE LOCAL AUTHORITY CAPITAL PROGRAMME WITH SPECIFIC REFERENCE TO CONSTRUCTION PROJECTS

Post project evaluation is a topic, which former President Ian Hayes very comprehensively covered in an article in the Terrier in 2007 and it was a topic which I thought would make a good subject for the dissertation which I had to write as part of a post graduate course at the University of Warwick.

Members will be relieved to learn that I have not offered the full 8000 words to the Editor but have instead tried to draw out the interesting bits at least as far as the Local Authority practitioner is concerned.

I would however like to use this opportunity to thank Members of the Association who assisted me by responding to my questionnaire and without whom I would not have been able to write this paper (the overall response rate was 46%, which ranged from 50% of County and Unitaries to 26.32% of Scottish or Welsh Authorities, a really good response, which gave added validity to the findings).

Although Local Authorities are becoming more efficient at the allocation of resources for the capital programme, it is not clear whether they are as effective at sharing learning through post project evaluation (PPE) after a project is completed.

I am interested in the concept of learning through experience and I thought that the level and extent of PPE would be a subject on which considerable research would have been undertaken.
However, I was wrong as although it seems a fairly obvious method of improving future performance it is not a subject which has been widely studied and the first problem I had was to identify something about which I could write a meaningful dissertation (or at least one which would give me a pass mark)!

This was because the current academic approach (which has changed significantly from when I was an undergraduate) is to identify what academic authors have written about a subject, write about it, identify the key themes which emerge from it, test the themes using empirical evidence (which is where the questionnaire came in) and then come to some conclusions. After extensive reading quite often involving papers with rather tenuous links to the subject I eventually identified ‘control and ownership’ as probably fundamental to any form of PPE so when I issued my survey to 194 Local Authorities in England, Scotland and Wales between September and November 2007 the questions were phrased in such a way as to test the importance of both of these in the context of Local Authorities adoption of a system.

Members in England at least will not be surprised that external control and measurement and the quest for ratings (CPA) seems to be a significant factor. This was evidenced by comparing the results from English Authorities to those from Wales and Scotland where even allowing for the relatively small number of Scottish and Welsh questionnaires completed the findings indicated a higher percentage of external evaluation in English County and Unitary authorities (50% compared to 17%), a higher officer perception of the significance placed on a system (100% compared to 83%) and the earlier adoption of a system (86% of County or Unitary Authorities reported systems in place for 12 months or more compared to 60% of Scottish and Welsh Authorities).

Having a system is, as we all know all well and good but for it to be successful Authorities need to provide adequate resourcing otherwise its just another tick in the box. 93% of all the respondents with PPE believed the process to be important or very important to their authority and only three authorities reported introducing a replacement process.

Members will also be pleased to learn that as far as ownership of the process is concerned property departments generally predominated although in District, Scottish and Welsh Authorities our colleagues in the finance department were more likely to take the lead. As I have already stated, before I started my dissertation I thought that PPE would be automatic in the private sector with Local Authorities probably lagging behind but I am pleased to report that your responses indicate this is not the case.

Unlike the private sector where academic research indicates PPE to be the exception rather than the rule, 75.28% of responding Local Authorities had or were seeking a system even where the external driver of CPA was absent.

In this area of performance improvement at least, it appears that Local Authorities are blazing a trail but this could still be simply a ‘tick in the box’ approach.

The final element of the study attempted to identify whether PPE was used as a learning tool, which actually achieves something. My analysis concentrated on linking results to CPA ratings in an attempt to identify whether ‘better performing councils’ are more adept at learning, more committed to the learning process and therefore more likely to have post project review in place.

This was difficult because as we know the Audit Commission scored County and Unitary Councils and District Councils differently. Therefore had to assume for the purpose of the study they are outperforming their counterparts.

Members in England at least will not be surprised that external controls that are important. The processes ranged from simple PI’s to more sophisticated learning strategies involving reports to members (Northern District), to full blown PPE processes involving reports, meetings, satisfaction surveys and so on (Home Counties County Council) but the most popular process was Prince2 or a derivative with one ‘Excellent’ Northern District stating that the entire Project Team were Prince 2 qualified!

The processes ranged from simple PI’s to more sophisticated learning strategies involving reports to members (Northern District), to full blown PPE processes involving reports, meetings, satisfaction surveys and so on (Home Counties County Council) but the most popular process was Prince2 or a derivative with one ‘Excellent’ Northern District stating that the entire Project Team were Prince 2 qualified!

The objective of the research (other than to meet the requirements of my course) were to identify the key features required for a system to be adopted according to the academic papers, test them in the real world and then identify whether any real learning took place.

Control and ownership were identified as the key factors in the academic research and the findings seem to confirm that they are important with CPA appearing to play a major part in the adoption and retention of PPE but its not just external controls that are important. The results indicate widespread support for PPE across that Country and a real willingness to learn not just from projects but from the experience of other Authorities.

Diana Hill
THE IMPACT OF THE 2010 RATING REVALUATION

Andrew Altman is a Partner in Gerald Eve’s London West End Office. He specialises in advice on Business Rates to the public sector, including local authorities and police. He also advises a large number of independent schools and colleges.

With just under a year to the 2010 Rating Revaluation, occupiers in both the public and private sectors are starting to consider the impact on their operational properties. The interest appears to have started earlier than for previous revaluations, caused partly by the general economic conditions, but also prompted by concern at the 5% increase in the Uniform Business Rate (UBR) for 2009/2010.

It is an established pattern for the UBR to be adjusted in line with the increase in the RPI to the previous September, but of course the 5% was exceptionally high and there has been an unprecedented fall since then. There was some optimism at the last minute announcement on 31 March, of what was first thought to be a cut in the UBR. However, this has given way to a little cynicism as it has become clear that what is being offered is only a deferral of part of the increase for 2009/10 and that there will be an additional administrative burden for all involved in the process. Any transitional relief which has not already worked through the system will have now ceased in this final year of the 2005 Rating List, so increases in a small number of cases will be more than the 5%.

With ever greater pressure to increase efficiency and reduce costs, local authorities will be seeking to reduce the impact of the 2010 Revaluation as much as possible. With significant reductions achieved on certain property types, as the 5 yearly revaluation cycle has bedded in (leisure centres, schools and libraries for example), estates surveyors will be under pressure to produce similar results for 2010, either through their work in house or through their retained surveyors.

Equally the Valuation Office are trying to ensure that the 2010 Rating List is as correct as reasonably possible, although the phrase “right first time” appears to have been quietly dropped. In these uncertain times, the Valuation Office seem to have directed greater resources than ever before into this work. Meanwhile, the many 2005 Rating List appeals served relatively late on, under the more relaxed appeals regulations, are causing appellants and their agents some frustration, as the time scales for discussing these appeals are put back with immense pressure on Valuation Office staff to complete the Revaluation task on time.

Incidentally, the rules on the completion of “rent return forms” are now being more rigorously applied (including fines) so it is essential that these forms are passed on to estates surveyors as soon as possible. The Valuation Office are encouraging greater co-ordination for large occupiers with multiple sites through their “Rating Contact Scheme”.

MANY VARIABLES

With so many variables to consider, it is difficult to judge what the likely increases (or reductions) will be. For a start, the Valuation Office face an unenviable task in judging rental markets at the 1 April 2008 Antecedent Valuation Date (AVD) and it is difficult to know how cautious they will be with the drop in rental transactions since.

Then there are the specialist properties with no general rental market and no profit motive, which are generally valued on the Contractors Test – no doubt many current issues will continue into the next Revaluation, not least that of the treatment of grant funding.

There is then the future UBR to consider (largely dependent on how much Rateable Values will rise overall) and as ever the complexities of Transitional Relief, assuming that there is to be a similar scheme as for the last four revaluations, to provide a cushion for the “losers” at the expense of delaying reductions for the “winners”. The publication of the draft Rateable Values in October this year will certainly help to ease the uncertainty of occupiers. The 2005 Revaluation has seen greater transparency than ever before with “mainstream” rentals valuations (essentially offices, shops and industrials) being available on line.

For 2010, it is envisaged that more valuations will be made available in this way. However, the picture will not be complete until right at the end of 2009, when it is expected that the UBR and any Transitional Relief scheme will be confirmed.

With an expectation of an overall Rateable Value increase across England of 10-15%, then assuming that the Government are only seeking an inflationary adjustment in overall revenue, this is expected to feed through to a UBR of in the region of 45p for England. It should be remembered that if a Rateable Value goes up in line with the national average increase, then it is unlikely that there will be any significant real increase in the rates bill.

It is worth mentioning the new Business Rates Supplements which will become available to local authorities from April 2010, to fund or support what is described as “economic development”, which includes major infrastructure projects. Further details are awaited, but the first scheme is likely to be a levy on all assessments above £50,000 in London to assist with the funding of Crossrail. A national limit of 2p per pound of RV is proposed, which could equate to a 4.5% supplement on rate bills.
OFFICE & INDUSTRIAL PROPERTIES

On the “main stream” properties valued on rental comparison, valuers in the public sector will have detailed knowledge of their local markets, so any comments here can only be of a very general nature.

Offices

Offices clearly form a significant part of local authority occupations - Central London offices should be braced for substantial rate increases, offices outside central London have generally seen much less marked growth since April 2003. Rental markets in the south and east of England have performed particularly poorly, with rents falling in some outer London and South East centres. Slough, Guildford, Basingstoke and Cambridge should all be revaluation winners. Elsewhere office rental growth has generally been modest, although there are exceptions, with rents in Liverpool rising by over 30% and Norwich and Newcastle by around 20%. Other major city centres including Manchester, Nottingham and Glasgow have seen rental growth in line with the average and as result the revaluation effect should be neutral

Industrial/warehouses

This sector as a whole has seen relatively little movement between 2003 and 2008 and hence occupiers will benefit from fairly static or falling rate bills. The abolition of empty rates relief in 2008 has had a dampening effect on rental growth. There will of course be exceptions - South Yorkshire and the West Midlands may be examples, with rents showing greater buoyancy. Taking the industrial definition a little wider to include waste management, the specifications of recycling and waste transfer facilities has improved greatly since the last revaluation and we expect this to feed through into increased assessments.

SPECIALIST PROPERTIES

This term is not particularly helpful, but tends to refer to anything which isn’t an office, shop or industrial. For specialist properties, valued on the Contractors Test, the general increase in building costs of 28% between 2003 and 2008 would indicate that increases in Rateable Values are likely to be above the national average, especially for England where the statutory devaluation rates are to remain unchanged (5% standard and 3.33% for education, health and defence).

For Wales, the rates will be different from England for the first time at 4.5% and 2.97%. A further factor is the locational building cost adjustments which naturally fluctuate, but there have been some particularly large increases in the Northern and Yorkshire & Humber regions between 2003 and 2008. (eg Cleveland up from 0.91 to 0.99 and Humber from 0.90 to 0.96).

As always there will be the question of physical, functional and economic obsolescence of buildings and with each revaluation there are new factors to consider with ever changing standards of design and often a great divergence between new and existing facilities. I expect the greater use of age related costs, reflecting that there is sometimes a fundamental improvement in build quality for some property types over time which cannot be adequately reflected by obsolescence allowances.

The valuation of land for specialist uses tends to be difficult and first indications are that the Valuation Office are adopting similar or slightly reduced values from last time. The question of grant is still very uncertain pending the resolution of the Sports Council’s Bisham Abbey case and this has held back the settlement of many 2005 Rating List appeals particularly leisure centres and museums

Schools

For the London Boroughs, Counties and Metropolitan Districts, the rate liability for councils will be heavily weighted towards schools. This has already caused concern amongst some ACEs members who have seen the Valuation Office 2010 Revaluation scheme online. The figures at first glance are a little alarming as the costs adopted for a new school show an increase of 44%, against the increase in general building costs of 28%. However, looking deeper at the Valuation Office scheme, which gives a single all in figure for each year (age related build costs and age & obsolescence), the increases for buildings constructed before 1997 do not exceed 20%. No doubt the Valuation Office will explain their reasoning in national and local discussions in due course; however, at this stage it seems that new schools will be particular losers in the revaluation and older schools will see more modest increases.

The assessments for schools have always tended to fluctuate with trends in pupil numbers, with allowances given for superfluity (overcapacity). This time around I believe that the Valuation Office have revised the basis which has been used for the last three revaluations, allowing for a significantly larger amount of space per pupil. This means that, for some schools, superfluity allowances received for the current Rating List, will not carry through to 2010, notwithstanding that the numbers of pupils at AVD may be the same. The Valuation Office may well be able to demonstrate that this is a long overdue adjustment, however, this could have a significant impact for some education authorities.

PREPARING TO APPEAL

There has been no official announcement on the appeals regime for the 2010 Rating List, but it seems unlikely that there will be any significant change from 2005, ie occupiers and owners will have a single opportunity to challenge the 1 April 2010 figures at anytime up to 31 March 2015 (at least), with savings fully backdated (plus interest). However, councils should not lose sight of other ways of reducing their rating liability. It is my experience that for even the most efficient of large organisations, it is easy to lose track of occupations and vacant periods and good record keeping is essential.

There has been a tendency for leases and licences to partnership organisations and charities to be made inclusive of rates. Sometimes the unit of occupation is a little vague, but where there is clear occupation by a separate organisation, it may be better for them to pay their own rates with the benefit of charitable relief (mandatory or discretionary). Finally, in spite of the sweeping changes in the empty rates regulations in April last year, it should not be forgotten that there are still exemptions and other ways in which the effect can be mitigated.

Andrew Altman
Derby City Centre
Regeneration

This article is based on a commentary given to a group of Branch members during a walking tour of Derby city centre to view various regeneration sites. It sets the scene to the regeneration of the city centre and briefly describes the sites viewed. It also comments on the involvement of Derby City Council Estates Services with each site and the issues that they have or are currently addressing.

The Derby Cityscape masterplan provides the framework to guide the regeneration of the city centre to meet the aspirations of the city in the 21st century. Building on the development and investment projects already underway, it sets out the objectives and principles which will guide regeneration and identifies a number of key deliverable projects that will help to transform the city centre.

Commissioned by Derby Cityscape Ltd and launched in 2005, the masterplan was produced by London consultants EDAW following detailed consultation involving local communities, public sector agencies, Derby City Council, businesses, landowners and developers.

Derby Cityscape is a not for profit urban regeneration company responsible for driving forward the physical regeneration of Derby’s city centre. Working closely with the City Council, East Midlands Development Agency and English Partnerships its aim is to deliver the vision for economic and physical regeneration.

Westfield Centre
Located at the southern end of the city centre, the £340 million Westfield Derby development is the city’s largest regeneration scheme. The new shopping centre, an extension to the dated 70s Eagle Centre, opened in October 2007, providing 1 million sq ft of retail over four new malls, with two retail levels.

These are anchored by Marks & Spencer and Debenhams and a food area, the 800-seat Eat Central. It brought in more than 100 new shops including leading retailers Zara, Bershka, Topshop, Next, Monsoon, New Look, Dorothy Perkins, River Island and H&M.

A £30 million 12-screen Showcase Cinema de Lux, was opened May 2008 - the highly controversial grey box on top!

The centre has been very successful but has also been a major contributor in moving the commercial heart of the city southwards. The degeneration on the northern part of the city centre, in particular the Cathedral Quarter, is even being called the ‘Westfield Affect’.

The scheme required the relocation of the Register office to a new location in the city centre. It took 2 years to finally find a suitable alternative building. The building eventually chosen was owned by the Council and let to solicitors. Westfield funded buying out the lease and conversion to a Register office.

The Council backed a Compulsory Purchase Order of the site. Westfield undertook the referencing and legal works. They had acquired a majority of interests in advance but needed a CPO to clear title.

The Council had small areas of land ownership which were negotiated separately.

Becketwell / Duckworth Square and Debenhams
This is a potential regeneration site in multiple ownerships. Westfield owns the former Debenhams store as they acquired it as part of the deal to move the store to the new shopping centre. Metropolitan Housing Association own Duckworth Square, a private pension fund a surface car park and Seal Properties the Church and other shops on Victoria Street.

Land owners aspirations of value are not making deals possible in the present market so the Council and Cityscape are working up a planning brief for the whole area.

There is a long history on the future of Debenhams. Planning permission for the new shopping centre did not include any condition on its future use. It closed in October 2007 followed by selective marketing by Westfield at £5-6 million. The Council had looked at purchasing Debenhams for conversion to offices. The Council also tried to buy Duckworth Square 3 years ago and again more recently. But the owners have high aspirations of value influenced by potential supermarket interest in the whole site. Now a degeneration issue, redevelopment is needed to stimulate this area of the city centre.

Cathedral Quarter
The Cathedral Quarter is home to a wealth of some of the cities best architectural features with numerous listed buildings. It has been described as a treasure trove with rich niche independent retailers, cafes, restaurants and bars.

However, it is located at the opposite end of the city centre from the Westfield Centre so is suffering from a degenerative affect from this development.

Accordingly, the area is a major focus for the Cityscape masterplan which aims to ensure that the area has a commercially viable role to play so encouraging developments to come forward to restore and revitalise Derby’s forgotten buildings such as the Police Museum on St Mary’s Gate, St Helens House and the Magistrates Courts. Use of Section 106 monies from Westfield and
the creation of a Business Improvement District company (American concept where there is a surcharge on the business rates in a defined district following a vote of the local business community. Usually used for ‘clean, safe and tidy’ initiatives) are starting to re-energise the area.

Inner Ring Road
A £36 million scheme funded by Central Government and Derby City Council to complete the inner ring road around Derby which was constructed 40 years ago. It will include a wholly new section of road.

Around £4 million property – historic cost – has already been acquired by agreement for the scheme in the last 8 years. But approximately £3.5 million of property is still to be acquired. CPO powers are now in place and Notice to Treat has been served on all the remaining owners. Work has also started on the final element of road construction with a target completion date late in 2010.

Jurys Inn
This is a £25m, 226 bedroom hotel, with a second phase of 89 apartments due to open in summer 2009 being built on a brownfield site in private ownership.

The developer:-
- Disregarded the need for an over sailing licence for their tower crane. Even after they had been told, they still shied away from the consequence of an appropriate charge (another example of “because you are the local authority wanting to encourage development surely you wouldn’t want to get in the way of this project”). In the timeframe Estates couldn’t approach the valuation in a traditional way – what would the developer save vs. doing it another way? – but settled on £10,000 as an appropriate payment in the circumstances.
- Additionally disregarded the need for a licence for a site compound which they established over the adjoining council owned grassed amenity area. It took months to get this agreed.
- Site operatives/sub-contractors/etc decided they could park vehicles over another grassed amenity area. The Council had to get them to put up a physical barrier to stop this use because of the danger caused to other road users when they came and went.
- Decided to start before obtaining planning permission (there was a resolution to approve but no Section 106 in place). It transpired that the development was encroaching onto the adjoining grassed amenity area, which brought into play valuation and potential public open space disposal issues. It was also encroaching onto the embankments to a subway which was to be closed, which brought into play valuation and potential stopping up procedural issues. The developer decided to avoid both by pulling back the footprint of the building.

Cathedral Green – Former Central Police Station
Part of the Council’s public realm strategy which is a larger 10 year project of £100m but being scaled back in the current budget.

This involved the landscaping of an area for public open space that was originally a power station, plus the construction of a pedestrian bridge across the River Derwent to link a new large riverside apartment development to the city centre. The whole scheme was budgeted at £3.8m but has cost £4.2m. It was due to have opened last summer but the bridge has been delayed due to engineering problems. The extra costs will come out of the Council’s Growth Point fund, money given to the city by the Government to help provide services to encourage new developments.

The scheme includes the disused central police station which was sold to Wilson Bowden at the top of the market. The building has been empty ever since and is considered an eyesore. This is now owned by Wilson Bowden. The originally proposed mixed use scheme which included residential has been shelved.

The Council needed to line up Section 38 Agreements and a Deed of Grant with the Freehold owners of properties fronting the river bank and the building lessees. One owner was found to be a company based in Gibraltar, although their main contact was eventually found to be based in the Republic of Ireland. It was a hassle to track them down and to get their approvals to matters which were of very little importance to them against a background of funding only being available to the Council in that particular financial year.

The Council also needed to arrange an exchange of a small corner of land with Wilson Bowden, necessitating the usual public open space process of adverts and
consideration of any objections – but none were received. There are still complications in completing this because Derbyshire Police Authority as original owners of the majority of the site are also involved in overage aspects concerning the small area which the Council would get from Wilson Bowden. In a corporate context, the discovery of an underground mains electricity cable at the point where the bridge was to be pivoted on the Cathedral Green side meant that the project was delayed and part of the anticipated specific financial year funding was lost, requiring the Council to deal with the unplanned consequences of increased cost from another source.

North Riverside
North Riverside is a £110m scheme, included in the Cityscape masterplan as a priority site, to regenerate a run down area of the banks of Derby’s River Derwent. But it is currently in limbo because of flooding fears. The Environment Agency is working on plans to build a metre-high barrier, designed to save Derby from a major once-in-100-year flood. The agency wants to set the flood defences back from the banks of the river, meaning homes and businesses would be left inside a zone designed to contain the water. The precise location of the zone, called a blue corridor, has not yet been decided. Cityscape considers that while this work is being done, its North Riverside scheme for 400 apartments, 100,000 sq ft of office space and a 200 bedroom 4 or 5 star hotel will be put on hold for at least 18 months.

Estates have provided property advice as the Council own a large part of the site. There is however a significant funding gap. This raises major Section 123 best price issues as any receipt for the Council widens the funding gap, so the development partners only wish to fund this gap if the Council forego their capital receipt. This issue has not been satisfactorily resolved.

Quad
QUAD is a new gallery, cinema, cafe bar and workshop opened in September 2008. The state of the art building cost £11million and was designed by Fielden Clegg Bradley. QUAD was formed when two arts organisations from Derby, Q Arts and Metro Cinema, joined forces with the City Council to create a cultural partnership. Estates helped find a suitable site. Several alternatives were considered but were either too small or in wrong locations. So ultimately a site owned by the Council was chosen, although a new building may have been tied into the existing Assembly Rooms in one scenario.

Estates had to provide a valuation of the site so it could be used to lever in funding.

Estates also advised on the lease arrangements, a 35-year term at a market rent with 5 yearly rent reviews. The use is as a visual arts and media centre with ancillary activities and facilities to support and generate income to support the main use.

Council House / Accommodation Strategy
A scheme has gone to OJEU in early Feb 2009 to provide either 20,000 sq m or 9000 sq m of office accommodation in the city centre.

There have been 18 expressions of interest which are being assessed for either a complete new building to house all main office needs or a smaller one to supplement a refurbished Council House.

The Council has been looking for over 6 years at various ways of providing new main offices. There have been two external studies and the Council is now working on a ‘New Ways of Working’ programme to drive down the size requirements and hence the cost.

Riverlights
A major £100m mixed use development located between the river and the new Westfield Centre. It is located on the former central bus station site and includes a new bus station which is expected to open in 2009. The entire project which consists of 2 new hotels - the Holiday Inn and Hiltons Hampton Hotel, a new bus station, shops, bars, restaurants, casino, new apartments and offices should be completed by 2010.

Derby City Council initially signed an exclusivity agreement with the developer MetroHolst and this was followed by a development agreement and a 150 year lease of a site including the bus station, coach park, and small area of public open space. The proposals were to provide a replacement bus station as part of a mixed use redevelopment. A condition was that the Council take back a lease of the new bus station which should be operational before any other part of the development could be occupied. In October 1997 the Council granted outline planning permission. Widespread protests against the scheme led to the collection of a 15,000-name petition calling for the old bus station to be saved and the formation of the Bus Station Action Group. There have been further objections ever since but the group failed to have the bus station listed and it was ultimately demolished in autumn 2005. The Section 123 public open space disposal process of advertising the sale resulted in 80 plus objections that had to be considered by cabinet. Just when that had all been sorted the original developer went into administration. A new developer took over the development agreement and started on site about a year ago with the new bus station due to open autumn this year. The final issue being resolved is that the ability to cope with the bus station closure for over 3 and a half years by using on street bus stops means the two main bus operators are now baulking at paying departure charges in the new bus station. The bus operators’ temporary accommodation on a council car park may be the lever to solve this problem. A potential lesson here in not being too accommodating in your alternative service provision when replacing facilities.

Hippodrome
This is a grade II-listed former theatre building in private ownership. The building was damaged in March last year when huge sections were brought down while the owners were working on it. The Council successfully sought an injunction to stop the carrying out of any more work and is still considering prosecution.

The owner now wishes to retain the Green Lane and Macklin Street facades of the building but create a car park with more than 300 spaces behind and create six bed/sits along the Crompton Street side of the site.
What is a waiver?

Contracts confer certain rights, in addition to obligations, upon each party. A waiver means that the party has abandoned that right under the contract.

Contracts may contain provisions regarding payment. It may be that a certain process of specific applications (with exact requirements as to how and when the application is made), approvals and notices is specified before any payment is made. If, however, the Employer continually dispenses with the need for a separate application, but pays on the Contractor’s invoice, it will be deemed to have “waived” its right to an application before payment.

What is the effect of a “no waiver” clause?

Traditionally, a “no waiver” clause allows the parties to take certain commercial decisions not to enforce a right at a specific time, but means that they are not prevented from enforcing that right in the future. So for example, it may be that a particularly important client fails to pay within the contract period, but you allow them time to make payment later. If they continually fail to make payment, despite demands, you are allowed to sue them under the contract. You have not “waived” your right to payment.

Recent Developments

The case of Tele2 International and Others v Post Office Limited, underlines the need for care when relying on a “no waiver” clause. In this case, the Post Office entered into a contract with Tele2 for the provision of pre-paid telephone cards, which the Post Office would brand. A provision of the contract stated that Tele2’s parent company would provide the Post Office with yearly guarantees that it would provide the subsidiary with enough capital to fulfill their obligations under the contract. The 2004 parental guarantee was not provided by the deadline on 24 December 2003. The Post Office decided not to terminate the contract until December 2004. Tele2 alleged unfair termination and the Post Office relied on the “no waiver” clause in the contract.

The Court of Appeal held that the Post Office’s conduct had amounted to an election to abandon its right to terminate the contract, despite the existence of the “no waiver” clause. The Court decided that the existence of the “no waiver” clause could not prevent the fact that there had been an election to abandon the right to terminate.

What Does This Decision Mean?

The key factor in this decision was the fact that the Post Office failed to terminate the contract for 11 months and continued to perform its obligations and accept performance by Tele2.

A “no waiver” clause gives the party time to decide how to act and they can then choose to terminate the contract or affirm it. In this case, the fact that the Post Office continued with performance for 11 months was taken to be affirmation of the contact and an election to abandon its right to terminate.

The decision did not say that the “no waiver” clause was ineffective, but underlined the fact that parties must take care if seeking to rely on a “no waiver” clause. The purpose of such a clause is to give the parties a certain amount of leeway when enforcing its rights, but it will not allow those rights to exist in perpetuity.

However, the crux of the decision is that you cannot afford to delay when enforcing a right or claim under a contract.

NB: This article is designed to alert professionals. It cannot nor is it designed to replace the need for advice on specific issues or circumstances.

Sarah Wilson

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Secondments provide flexibility

Angus Myles is a partner and head of public sector at Bruton Knowles

Across both public and private sectors, flexibility is becoming increasingly critical to sustaining business strategy and responding to market changes. The option of one sector borrowing 'people' expertise and resources from the other as an interim measure is hardly a new phenomenon, but it is proving increasingly popular in this economic downturn.

In the current economic climate, public sector bodies are increasingly looking for solutions to cut costs and streamline operations and it is widely recognised that local authorities need to be able to respond flexibly to changing circumstances. Successfully and correctly resourcing key departments like estates and property is more challenging than ever; departments may be less likely to want to be locked into long-term contracts with external providers or they may be holding back on making any strategic in-house appointments until there is more certainty about the economy.

Secondment can play a key role here – and it is for the long term, not just for the recession. It can provide a range of flexible resourcing solutions to cover any level or scope of operational need. As property adviser to over 70 public sector bodies and local authorities, Bruton Knowles has consistently championed the option of secondment to our wide public sector client base. Our three decades' experience and understanding of the sector allows us to ease into any secondment role without a steep learning curve, bringing a mix of local authority expertise and private sector know-how.

We have long been highlighting the benefits that secondment can bring, such as bringing in new perspectives and a fresh pair of eyes, expanding networks and helping with examples of best practice. We believe secondment enables our public sector clients to benchmark their practices against that of a wide range of other authorities, learning best practice and innovations from us and from others.

We argue that secondments can help support and strengthen local authority/private sector partnership relationships for the future; they can be used as a tool to transfer expertise or specialist knowledge between both parties; and sharing resources through strategic business partnerships can also lead to more efficiencies and best practice.

And it works both ways. The public sector has a lead role in driving initiatives and innovations, such as sustainability, and private sector partners can pick up those pioneering tools and knowledge and help disseminate them even further across private and public sector organisations.

The secondment solution can provide cover for all levels of personnel and roles, from senior strategic appointments such as heads of property or asset management, to specialist surveyor positions and more junior resources to provide day-to-day support and administration.

I have recently completed a post as Interim Estates Manager for Suffolk County Council where I held responsibility for day-to-day management of the estates department. During my tenure, one of my remits was to help integrate a new financial management system across the team. For this, I was able to leverage my wider management and financial experience built up from working across a range of private and public sector departments for over two decades.

I am currently seconded to the role of Interim Head of Strategic Asset Management for the City of Stoke-on-Trent with overall responsibility for in excess of 300 staff. The post is responsible for undertaking strategic reviews, developing asset management plans, overseeing statutory compliance, managing the City’s property data, and facilities management for the authority’s property assets. I will also be working with the authority to assist in finding a permanent candidate to appoint to this role.

A range of professionals from Bruton Knowles have been seconded to a raft of local authority roles, from covering specific periods of cover like maternity and paternity leave and filling in for long-term sick leave to assisting at a time when a department is assessing its resourcing needs. We have also offered a range of graduate placements to help with day-to-day workloads to ease peaks and troughs of service demand, and mentored local authority staff seeking a professional qualification.

Secondment not only enables local authorities to take on very flexible cover as and when they need it, but it also lets them tap into a readily available experience and knowledge – providing a quick, familiar and effective resource solution. Ian Mercer, partner at Bruton Knowles’ Wolverhampton office, was recently seconded to cover maternity leave in the property department at Wolverhampton City Council.

He has a good degree of understanding of how the local authority client team works and intrinsically knows what the needs of the estate are, what regeneration projects are under way or being driven, what wider development programme is being undertaken and what asset management objectives the council may have or need to
ACES/CLG

Representatives of ACES met with officers of Communities and Local Government in January. This was one of the regular meetings with CLG, which have now been established for many years and enables free discussion between local government surveyors and government civil servants about a range of topics involving property.

The agenda is agreed between ACES and CLG and covers matters raised by ACES and new initiatives of CLG, who are often looking for feedback from ACES’ expertise. The format is for each topic to be introduced by the responsible officer from CLG or ACES. Topics considered at this meeting were:

CLG – Update on current issues (Andrew Hannan, Chairman)

● Margaret Beckett had been appointed Housing Minister and attends Cabinet;
● The Homes and Communities Agency (HCA) had been established as a single housing and regeneration body on 1 December 2008, bringing together the former English Partnerships, the investment arm of the former Housing Corporation and the Academy for Sustainable Communities. Sponsored by the CLG, it has an annual investment budget of over £5 billion;
● CLG has published a response to the Calcutt Report on house building and is taking forward many of the recommendations in the context of wider policy development;
● CLG engagement with house builders continues, as evidenced by a whole tranche of measures that had been announced in the autumn of 2008, e.g. £1.75 billion brought forward from CLG housing and regeneration programmes; Home Buy Direct Scheme to help first time buyers; £200 million from the HCA budget to buy sustainable affordable housing stock from house builders; £550 million funding brought forward to enable the HCA to work with RSLs to secure full delivery of the affordable housing programme; and £300 million for various mortgage support schemes;
● The Planning Act received Royal Assent last year and introduced a new Community Infrastructure Levy (CIL) that enables, but does not require, local authorities to charge on most types of new development in their areas should they want to. The proceeds can be spent on local and sub-regional infrastructure. Details for Regulations to implement CIL are being worked up with stakeholders and there will be a formal public consultation this spring;
● On the Code for Sustainable Homes, the Home Information Pack Regulations now make it mandatory for there to be a Code rating for all new homes;
● In the current economic climate, CLG would look to local authorities to be proactive in stimulating their areas through innovative property arrangements.

ACES – Update on current issues (Lee Dawson, President)

● The new Comprehensive Area Assessments to measure local authority performance in their areas were challenging but important;
● Local authorities had had some trepidation about Display Energy Certificates (DECs) but thus far they had not resulted in any problems, even where the rating was poor;
● ACES is keen to work with the HCA to aid housing development;
● ACES membership was expanding into members from the health, police and fire services. All had a mutual interest in the management of public sector assets;
● In the current economic climate, the public sector now has an important role to play in maintaining skills for the future via the recruitment of graduates/apprentices;
● Local authorities’ commercial portfolios are under pressure in the same ways as private landlords, e.g. rent concessions.

Surplus public sector land (SPLS) and local housing companies (LHCS) (Solma Ahmed, CLG)

i) SPLS - There was an increased target of 200,000 new homes on public sector land by 2016. The HCA and local authorities, by bringing forward land in their ownership for housing development, were instrumental in meeting this target more land needs to be identified.
ii) LHCS are joint venture companies, using a combination of a local authority (plus their land) and private sector companies. The aim of LHCS is to maximise the supply of affordable housing, depending upon local circumstances. 14 pilot schemes had been identified, with the 1st to be established this spring. A further 18 local authorities have expressed an interest in pursuing such a model in the future.

Colin Beever gave his experience of LHCS in a London Borough. In discussion, ACES members were concerned that LHCS did not improve on traditional routes, but expressed an open mind.

iii) CLG wanted to improve the quality of data collection on the number of new homes built. A small CLG/ACES sub-group would be set up in the future to discuss this.
Reform Order route and would include the repeal of Part 2 of the Landlord and Tenant Act 1954. The aim of the consultation document on further minor amendments was to examine its impact on lease provisions. (Maybe this is an attempt to make the Code mandatory?).

DEFRA would welcome evidence from ACES members of specific cases where it is felt that the application process is not working. Homes and Communities Agency (HCA) (Alan Millward, CLG)
The HCA’s purpose is to deliver housing investment and economic renewal. The initiative to improve co-ordination is the ‘Single Conversation’ with selected local authorities in each region along with other partners from the private and voluntary sectors. These ‘Conversations’ would be undertaken with Regional Directors (of the Government Offices) but these would not preclude separate, individual, discussions between the HCA and RSLs.

Both CLG Ministers and the HCA will pursue the “well designed, sustainable homes” agenda in the future, notwithstanding the current economic downturn. Commercial property update (Patrick Martin, CLG)
Supplementary guidance addenda on “empty property rates” and “energy performance certificates” had been added to the Lease Code website in March 2008, to commemorate the Code’s launch a year earlier. Further supplementary guidance will be added in March this year with an addendum on ‘green leases’. A working group, chaired by the Investment Property Forum, had proposed a “medium green” approach requiring a non-legally binding Memorandum of Understanding between landlord and tenant and a Management Agreement. They would apply mainly to new leases but were capable of being applied to existing leases.

Richard Allen agreed to become a member of the Commercial Leases Working Group, the body responsible for drawing up and maintaining the Code (well done Richard!). Research was currently being undertaken by Reading University into the dissemination of the Lease Code (report publication Spring 2009).

Further research into the Code anticipated in 2010-11 examining its impact on lease provisions. (Maybe this is a precursor to making the Code mandatory?). CLG had undertaken preparatory work on a consultation document on further minor amendments to Part 2 of the Landlord and Tenant Act 1954. The aim would be to make the changes through the Legislative Reform Order route and would include the repeal of section 57. Public consultation on procedural issues would occur once legal input had been completed, subject to other priorities.

Empty property rates (Richard Enderby, CLG)
Despite some press reports to the contrary, the information coming from the VOA and local authorities indicated that there was not widespread avoidance of the empty property rate regime that had been introduced on 1 April 2008. Where buildings had been demolished, it was not just because of empty property rates. The Pre-Budget Report (PBR) in November 2008 had revealed that for the financial year 2009-10, empty properties with a rateable value of less than £15,000 will be exempt from business rates. The aim was to help small businesses. It would, however, only be a 1 year exemption; from 1 April 2010 the previous threshold of a rateable value of less than £2,200 would be reinstated. ACES had already made the observation that this measure probably did not help small businesses, rather the landlord/owner.

Energy Performance Certificates (John Bryan CLG)
All EPCs must be undertaken by a qualified and accredited assessor - there are presently approximately 12,500 - each type of building (new build/existing, commercial/domestic etc) required a different type of assessor. A phased approach to their adoption was taken throughout the UK but EPCs must now be made available every time buildings are constructed, sold or rented. Thus far, it did not appear that the feared widespread evasion from compliance was occurring. In the CLG’s view, an EPC is not required on the renewal or extension of a lease.

Display Energy Certificates (DECs) - only 15,000 had been registered to date by local authorities for their public buildings. ACES members felt that this was due to the difficulty in enlisting the services of assessors. A proposal for a new, amended EP Buildings Directive had emerged from the EU - to lower the qualifying threshold from 1,000 sq.m. to 250 sq.m., which would capture a lot more property (up by between 50% - 66%). ACES offered to provide CLG with a cost/benefit analysis of this proposal.

Any other business
Jim Ross queried what had happened to the proposed series of 8 CLG leaflets on different aspects of ‘Asset Management’. CLG has confirmed that the guidance is still undergoing development before being published. CLG said ACES will be kept informed. The item programmed on LGR and impact on asset transfer was deferred, but it has been added to the provisional agenda for the next working party. If ACES members wish any topics to be raised with CLG, please let Heather McManus, the ACES Co-ordinator know. Meetings take place twice a year and the next one is due in the autumn.

Betty Albon
The Long, The Short and The Tall

There is nothing like the bite of a recession, with backs to the wall, to get our phones ringing, and a call from an Authority in the West Country regarding beach huts put me in mind of some of the more unusual lots that I have put under the hammer over the past 25 years.

Selling many thousands of surplus properties for more than 150 councils and 50 other Government Departments, Development Corporations and the like, many of whom were Residuary Bodies, has brought to the room a wide diversity of property. Schools and Care Homes run into the hundreds of course, few with their plumbing still intact, however these have included the fire damaged, and those booby trapped, and many with the rather unreliable temporary alarm systems that invariably ring the police as soon as you try and disarm them. I was however encouraged with the police response on a remote former children’s home for Cumbria County Council—“we are called out far less now that it’s empty than when occupied”.

Many were in the skin of a historic mansion such as lovely Beamish Hall (1620) for Durham County Council, which included a roof top ice rink, very much suited to “Stars on Ice” skating between the chimney pots.

The 200 plus properties sold for British Waterways proved that anything sells, including many bridge footings (the sloping bit), ditches, air rights of bridges, disused tunnels requiring breathing tanks to inspect, and I can admit now that when trying to identify one bit of canal bank to sell, it does look like any other!

Defence Estates have also been a rich source of the more unusual, several nuclear bunkers, equipped with metre thick reinforced walls and no windows (try cutting one!) Firing ranges, army camps and a WW1 Navel Gunnery Range on a hill in Leicestershire, presumably targeted by long shots from the North sea.

For those familiar with Cornwall, the entire village and port of Charles Town, complete with pub, hotel, museum and a hundred houses was fascinating to sell. The Eagle Has Landed and Poldark series were filmed there.

Also in the West Country 85 acres of beach at Upton Towans sold well as did Dawlish Warren Railway station, where the main line trains still stop, Newberry Beach at Coombe Martin—and I had forgotten the tin mine!

Talking of tunnels, I recall for the Home Office a deep grid pattern network of narrow brick lined tunnels beneath a securely fenced wood in Surrey which to this day we never were told why they had been built.

Partly deep underground, for Gloucestershire County Council a 32,000 sq ft Cold War Nuclear command headquarters on the fringe of the Cotswolds was bought by a middle aged couple, who when asked why explained that their son played the drums.

Others that stick in the mind include the vaults under Somerset House, off London’s Strand, several hundred theatres and cinemas, including the famous Coronet in Notting Hill, (seen in the film), the Riverside Theatre in York, and the Windmill Theatre (we never close), a dock in Woolwich, a Norman Church, 3 cemeteries (with lying tenants) for the NHS Residuary Estate, the remains of Macbeth’s Castle in the far north of Scotland, and the deep basements of the Cavern Club in Liverpool together with the historic fruit exchange.

This makes many other properties that would have been interesting look quite mundane: the 3 multi storey tower blocks of flats for Nottingham City, Town Halls for Barnet and Shepway, numerous police and fire stations and court houses (never go into a cell if you are on your own), swimming pools, public wc’s, rubbish tips (full), marinas, multi storey car parks, radio masts, reservoirs, and a prison camp.

Our latest unusual project, a first I believe, which went live early March, is a bespoke web auction for the Nuclear Decommissioning Agency of 4 areas of land around Nuclear Power stations at Bradwell, Oldbury on Severn and Wyfla in Anglesey, where it is expected that the major European Power producer bidders will raise several billion for the Government!

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I am a chartered building services engineer and started off twenty years ago designing pharmaceutical plants. It shows how quickly things have changed when I say that now even the big pharmaceutical businesses are paying attention to what is happening in the world around them. Over the years my experience has broadened into a wide range of other sectors. I work with the Chartered Institution of Building Services Engineers (CIBSE) and with the International Society of Pharmaceutical Engineers (ISPE).

Morgan Professional Services (MPS) is the design arm associated with the constructors Morgan Ashurst. MPS is involved in manufacturing as well as the public, waste and environmental, nuclear, transportation, and infrastructure and regeneration sectors. As designers, MPS employs mostly architects, civil engineers, structural engineers, and some process engineers. This gives us a wide range of skills with which to address some of the difficult design issues we now face.

A key issue for most of us is the topic of carbon. It is a bit of a buzzword, as is “sustainability”. I am beginning to hate the latter term as everybody calls everything they do “sustainable” when, on closer examination, it isn’t. I intend to tell you a story but will try not to preach as I expect most of you come across the people telling you what to do all the time. I hope to persuade you to want to do some of these things and see them as relevant and useful because ultimately it is only our individual actions and behaviours that will influence where we are going and the benefits we can derive from sustainable items.

My starting point is my children. They are 8 and 6 at the moment. I often wonder what the world will be like when they are my age. It is said that in 30 years time there will be no oil so what are they going to use for many of the things that we take for granted now. They will not necessarily be able to travel as freely as we do or heat their homes as freely as we do. Over the last 8 to 10 years my view of the world has changed. Many of you will have probably been through the same experience.

Climate Change

Everybody is talking about climate change as if it is the only real current issue - apart from the credit crunch. There is a lot of statistical information available that either could be absolute fact or perhaps it just indicates a general trend. Worryingly every bit of statistical data shows a similar trend.

Fortunately the media has moved away from the term “global warming” and onto “climate change”. In my opinion the term global warming set us back 10 years as most people think it would be rather nice to have a nice hot summer. But part of my job as a building services engineer is the responsibility for keeping your buildings and facilities in the right conditions. When I study the data I see that overall winters are becoming warmer and wetter and summers generally are becoming a bit warmer and drier. But there are now more extremes of weather conditions and it is these extremes that are catching people out, the floods of 2007 and those of this summer that cut off many villages and settlements for instance.

In today’s market profit is a heavy burden in that balance as most of us are in business to make money and survive. I was at a conference recently where Professor Michael Kelly, Chief Scientific Advisor to Government (CLG), put forward three ideas, his Triple Priority concept. These were

- One planet living. Currently the UK uses three times its footprint.
- Adaptation and mitigation strategies for the built and natural environment.
- Seeking energy security. The UK is a net importer, and it’s getting worse, and that is not good.

If everybody in the world used the amount of the earth’s reusable resources as we do in the UK we would need three planets in order to keep us sustained. The UK is not the worst but is a long way away from being the best. This does not auger well for the future and means that we have things to do; the Professor’s second point. Perhaps current financial circumstances will cause a shift.
in direction and in our expectations. Now is the time to start changing the way we behave and the future. The fact that the UK is currently a significant net importer of energy is a concern. How might Russia behave, in certain financial circumstances, as our major supplier of gas from its gas fields?

I am pressing the Department of Communities and Local Government (CLG) to insist that Councils and RDAs recognise the realities and get their houses in order. Profit in Today’s Climate

The profit element concerns me most because all I see at the moment is more and more short-termism. Most people and businesses are worried about how they will get through the next three or six months before they begin to focus on the future. I am sure it is the same in the public sector when it comes to looking at funding streams and how money is to be allocated. Immediate affordability and the short term is what preoccupies most people rather than the issues I want them to get involved with and which might take 2, 5, 10 maybe 20 years.

Although it is difficult I am trying to persuade customers and clients to start linking their capital expenditure and their operational expenditure budgets together. This is essential to bring about change to make some of the achievements that are needed.

One of our big pharmaceutical client has carefully analysed his operation and has a measure of how much is spent on design, how much is spent on capital expenditure and how much is spent on operating the facility.

Currently for every unit spent on design it costs the client five units to build the facility and two hundred units to run it for its lifetime. This client has done the right thing and looked at overall costs and decided to pay more on design so it will work properly and more efficiently. And I will spend a bit more on building in some of the features that will produce longer term benefits, in order to save over the lifetime of its operation.

An increase of 20% in design and building is likely to reduce lifetime operational expenditure by 25%. Sadly only a few organisations are prepared to think this way, even less as funding is becoming more difficult.

In 2008 CIBSE updated the definition of sustainability as follows.

“Sustainable development (or sustainability) is about enabling all people throughout the world to satisfy their basic needs and enjoy a better quality of life without compromising the quality of life for future generations.”

This recognises that sustainability is now a more global issue.

One of my colleagues, Mark Turner, Head of Sustainability at MPS said “We can’t afford not to (get involved in sustainability) - because the cost of not doing things now will smack us in the teeth tomorrow.” In my opinion, if we are going to do anything on sustainability, then you have to start right at the beginning. For me it is relatively ineffectual to start part way through the process. To be successful sustainability must be:

- steered from the top.
- powered from the bottom.
- natural to everyone.
- visible at corporate level.
- inclusive; it covers everything we do.
- corporate.
- public.

Is there a crisis?

It will get 2 or 3 degrees warmer within our lifetime. It does not sound much but what are some of the likely effects. The deserts of Africa will spread north and south and the southern parts of Europe will become and desert areas. In addition some of the extremes of weather that we are seeing now will become worse, but how much worse is difficult to judge.

Naples is suffering from the results of excessive consumerism producing more and more waste coupled with the impact of poor planning in the cities causing problems relatively close to home. The same could happen here, in our area, if we do not act properly, and act now.

We in the west, by accident of birth, are relatively lucky in terms of the facilities we have available to us but it is beginning to be questionable whether this is sustainable in the long-term.

On the other hand the developing world is not so well placed and we must wonder just how sustainable is it for us to carry on as we are and whether we need to get the balance right between the haves and haves-nots.

Contraction and convergence is another objective of sustainability and is all part of what we do and the way that we set up our projects and infrastructure.

It is essential to restore the delicate balance between people, planet and profit.

Drivers for Change

Every day, in the media, we see all the evidence needed to prove climate change but it is not enough to judge by the regular updates of new legislation and guidance that flow across our desks. Clearly Government believe that we as individuals and people who manage businesses and properties are not responding appropriately. So Government is trying to persuade us to do so and I have to say that the public sector is at the forefront and a good example to the private sector.

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In my opinion they are making no difference and are just another tick in a box; something one has to do. Until these become more effective, and there is a requirement to take some action in the case of a deficiency, nothing will be done because the building owner does not have to take action. It is difficult, unless action is made mandatory, to persuade somebody to spend their money on something that they would rather not spend it on. The problem is usually with the initial design of the building, if designers do not have to do things it is difficult for them to persuade the client to incorporate them.

Sustainability Issues
These are the issues we need to address.
- Energy and CO2
- Water
- Waste
- Transport
- Adapting to climate change
- Flood risk
- Materials and equipment
- Pollution
- Ecology and biodiversity
- Health and well being
- Social issues

Remember it is possible to reduce predicted CO2 emissions by applying energy efficient design principles and utilising low and zero carbon technologies. As a building services engineer I can engineer you good buildings that are going to work well and hopefully we can find people who can operate them properly.

These are the three planets I mentioned earlier, ie if everybody in the world used the same amount of energy and generated the same amount of CO2 as we do in the UK we would need 3 planets. If everybody uses the same as America we would need over 5 and so on. In parts of the Middle East, around Dubai and the United Arab Emirates, they are up to 13. Admittedly their climate is unhelpful but I also suspect the way they are doing their developments does not help them either. Somalis do not use much energy or generate much CO2. Put another way one American uses and generates the same amount of CO2 as 20 people in Somalia.

This information, albeit a year or so out of date now, tells you exactly how, as an individual in the UK, you use your energy and generate CO2. Currently the focus is on energy efficiency in the home, for example switch it off, better insulation etc. But the home only accounts for 4% of carbon emissions therefore an individual could improve this area by a phenomenal 50% yet still only 2% overall. Far better to look first at the big numbers, for example food at 23% followed by shared infrastructure and shared services.

The Building Designers Approach
There are four basic steps, followed by an additional step, to doing the design and understanding where the CO2 is generated.

Step 1. Measure Your Performance, ie if you are dealing with an existing building, measure it to understand where you are good and how bad are you in other places. If you have a new building there are always benchmarks to compare with.
- Identify the energy users
- Heating
- Cooling
- Fans
- Pumps
- Lighting
- Test against benchmarks
- Set target for improvement

Step 2. Minimise Heating, Cooling and lighting demands. Before trying any other solutions the obvious next line of attack is to look at avoiding expending energy in the first place by either just cutting down or avoiding waste.
- Challenge the requirements
- Temperature
- Humidity
- Low U-Values
Climate change will require us to adapt to wetter winters and rising summer temperatures.

Global temperature change will lead to falling crop yields, rising sea levels, ecosystem damage and extreme weather events.

All current data predicts increases in the earth’s surface temperature.
● Good Air Tightness; Natural Light; Solar shading; Façade Temperatures.
Step 3. Use efficient systems to meet remaining demand.
● Heat recover; Variable Speed Drives on Pumps and Fans; Lighting Control; Demand Controlled Ventilation.
Step 4. Use low and zero carbon technology. Remember having minimised energy demand and deployed efficient delivery systems it is best to ensure that these use low and zero carbon technology.
● Solar – Thermal and Photovoltaic; Ground Source; Biofuel/Biomass; Wind Turbines; CHP/cCHP; Aire Source; Water Efficiency.
Step 5. Moving energy through time.
There are lots of features that can be put into buildings that allow us to time shift energy. For example a heavy construction is a good feature as the temperature is relatively stable because we can store energy in a space, whereas in a modern building of typical lightweight construction, the temperature moves up and down all over the place. In a modern building the current best option is to move energy between day and night, or between one day and the next. Ideally it would be even more helpful to do a seasonal energy shift, so that in cooling a building in summer the energy is stored, somehow, to provide the heating for the winter. Clearly the size of the energy storage for that is not yet available.

Water Usage.
How can one person use a 120 litres of potable water a day? Drinking 2 litres in a day is reasonable and up to 4 or 6 litres is possible but the remaining consumption could be obtained from other not potable sources to do exactly the same function. Grey water recycling, the use of rainwater, and water harvesting are now well known techniques. As a designer I get frustrated, as these are the first things to be knocked out of a scheme when costs need to be cut. As a general rule only 2 percent of potable water is actually drunk. Reduce predicted water use by integrating water efficient plant, appliances and fittings.

Waste
The UK is years behind our continental rivals.
For example
● Municipal Solid Waste (MSW) arisings in the UK are growing at 3% per annum and are inextricably linked to growth in Gross Domestic Product (GDP).
● Over 75% of MSW is sent to landfill and only 12% is recycled.
● The Environment Agency estimates that the UK has about 6 years landfill capacity remaining at current rates of waste generation.
● The Institute of Civil Engineers suggests that up to 2,300 new waste treatment facilities must be operational by 2020 to avoid a waste crisis.
● A significant component of MSW is Biodegradable Municipal Waste (BMW). This decomposes in landfill to produce methane (a more potent greenhouse gas than CO2) and escapes into the atmosphere.
Transport. We are a highly car oriented society.
● 32% of households have 2 or more cars.
● 63% of journeys are made by car.
● Only 3% of people cycle to work; only 1% walk.
● 70% of people outside London commute by car.
In planning the operation of new buildings increase the use of sustainable modes of transport when the building is in use.

Climate Change
Adapting to climate change is something that none of us can avoid. All the data I see tells me that it will get warmer in the summer and it will get warmer in the winter and it is will get wetter. We have to be ready for that.

Flood Risk
It is possible, by design, to mitigate the risk of flooding and design in flood resilience.

Materials and Equipment
Reduce the embodied lifetime environmental impacts by selecting on the basis of environmental preference, Pollution. This is evident in all of the big cities of the world now with excessive smoke emissions, rubbish floating down the local canal and the like. Designers can
help to reduce unavoidable building related emissions and the risk of accidental pollution.

Ecology and biodiversity As a design engineer this issue is getting well away from my sphere of comfort but I know full well that there is a lot of ecology out there which most of the projects we do are putting under threat. For example I am involved in a project at the moment and there is a problem with a bird called the Stone Curlew nesting on the site. Now I had never heard of a Stone Curlew before, but it turned out that it was holding up this £160 million development and everybody blames the Stone Curlew because it has taken us a year or more to get to the point where we now know that we can move Stone Curlews to an adjoining area. In fact, having identified the problem, it did not cost a lot to move the access road a little way to solve the problem. Enhance the ecology and biodiversity of the site by protecting existing assets and by introducing new habitats and/or species.

Health and well-being From an engineering point of view, health and well-being is all about the designer making facilities more available and more usable to people, for example wheelchair access, and much more. It is down to the designer to provide a safer, more accessible, healthy and comfortable environment.

Social issues I look at one or two of the buildings from the past and think that I am not surprised that they are not very well received and not very well used. The designer can help reduce crime and adverse effects on neighbours throughout the lifetime of the development through design and good practice in construction and operation.

Conclusions
The message I am trying to get across is I can’t do this by myself. I need help from the people who fund the project. I need the involvement of the people who will use the facilities, and those who will design and build them. It is a team effort.

The essential steps are:
- Set a strategy
- Start early
- Plan ahead
- Think of the future
- Creative costing
- Design to the strategy

Think of the 5 “Cs”.
- Coherence
- Collaboration
- Communication
- Connectivity
- Community

I hope that I have persuaded one or two people to come with me on my journey.

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On Yer Bike
For me the new season really begins with the classic Paris-Roubaix race; known as “The Hell of the North.” This year the 107th staging of the 259.5 km event took place on Easter Day. The commentator said it was not staged during World War I, understandably, nor from 1939 but resumed again in 1943, which I find very hard to believe. The marauding Typhoon fighters that had a free rein over Europe in 1944 and 1945 would have made a real mess of the peloton.

Usually the race is run into the teeth of northerly gale force winds with at least torrential rain and a temperature hovering just above freezing point making the long twisty runs on narrow cobbledstoned lanes extremely treacherous. This year the weather was positively benign with just a gentle breeze but no sun. Some spectators were stood around in shirtsleeves!

It was an exciting race and finish with the usual quota of spills on the cobbles. Hopefully this was the start of an exciting new season.

Radio Days
Up to the age of 12 or so I lived in a house without electricity. This made radio listening difficult but there were ways around it.

The first radio I remember was in a big veneered wooden cabinet with a fretwork façade backed with cloth to keep the dust out of the works. The cabinet was full of thermionic radio valves with spiral electric filaments that glowed when the power was on; just like electric light bulbs, which, so far as we were concerned, had not yet been invented.

This contraption power needed two sources of power to drive the valves, a high-tension battery about the size of a biscuits tin and a low-tension power source called an accumulator. This was a bit like a totally transparent old drive the valves, a high-tension battery about the size of a biscuits tin and a low-tension power source called an accumulator. This was a bit like a totally transparent old

accumulator. This was a bit like a totally transparent old

electric light bulbs, which, so far as we were concerned, had not yet been invented.

The accumulator had to be replenished fairly frequently though the high-tension battery was always good for another evening or two if it was popped in the oven for an hour or two. This procedure was not recommended for the accumulator.

Dealing with the accumulator was the job of my elder brother Peter and I aged six and four respectively. First an adult disconnected the device from the radio. Together we carried it to a radio/hardware shop called Bagshaws where it was charged up, a process that took a day or two. “And don’t forget to ask for a loan!” was the instruction that always followed us down the road. The “loan” was lighter and altogether a more flimsy accumulator than the real thing but much easier to carry. As neither Social Services nor Health and Safety had yet been invented the process of using small boys to carry glass containers of acid was unremarked upon.

In the early 50s we experienced a great leap forward. A firm called RadioElect arrived and the whole village was wired up to premises that received radio signals and distributed them by wire. Cable? Eat your heart out. And electricity was still not needed. Inside the house there was just a speaker with 2 knobs; one for on/off and one to switch between the Light Programme and the Home Service.

In those days the radio was the centre point of family home entertainment. It was only later that it became a minority interest ie “I’d sit alone and watch your light; my only friend through teenage nights.”

What did we listen to? There was Dick Barton Special Agent, later on superseded, but never replaced, by The Archers. And Mrs Dales Diary, “I’m a little worried about Jim,” Friday Night is Music Night and Workers Playtime.

There were plays that lasted 90 minutes and every Saturday the BBC “Stopped the night roar of London’s traffic” for In Town Tonight.

And then in 1953 we moved to a house with electricity and hot water and a bathroom. The previous owner had left behind for us a big round wireless in early brown Bakelite with a cracked case held together with yellowing sticky tape. This was in the living room but was soon upstaged by a television set that took pride of place in the front room.

It was at this stage that radio became a minority interest and many solitary hours were spent searching for Radio Luxembourg and The Voice of America. Luxembourg always faded away when a good record was played but I can still remember all the words of “We are the Owlenties” and whenever I travel from Bristol to Bath I don’t need to read the station sign to know that Keynsham is spelt K,E,Y,N,S,H,A,M.

The VOA was the only station then that played Jazz and many happy hours were spent listening to the VOA Jazz Hour with its distinctive signature tune “Take the A Train” as played by the Duke Ellington Orchestra. As that tune came bustling through the interference you knew you were home and dry.

It was only recently that I heard of the origins of that tune. In his early band leading days Duke met Billy Strayhorn in Philadelphia and invited him to join the organisation as arranger/composer. Before travelling up to New York he asked Duke for directions once he reached the Big Apple. “Oh, Take The A-Train,” he was told.

Then followed a lifetime of productive collaboration, Billy conducted the band and filled up “The Band Book” with his compositions and arrangements.

Johnny Dankworth’s son, Alec, performing in Bury St Edmunds, had a story about the legendary, voluminous, and comprehensive Duke Ellington Book. The Ellington Orchestra is still functioning long after the founder’s death and remains faithful to the original compositions and arrangements contained in The Book.

Alec is a good bass player and some years ago joined the Orchestra but after a series of travelling mishaps he only caught up with the band a couple of hours before his first performance. He was welcomed and issued with the
legendary book, now even more voluminous and comprehensive and was fearful of the band’s reputation for accurate reproduction of the original sound.

“Look,” he said, “I can’t play I won’t be able to familiarise myself with any of the Book in time!” “Don’t worry.” he was told, “Just busk it.”

More Whitsundie Suits
In truth I never had the opportunity to get the wear out of the Teddy Boy suit and eventually passed it on to my father who, at that time, was a “Deputy” at the local mine. He was an “overman” responsible for all safety and production matters in a defined area underground.

The job was hard on clothing and as the Board had not yet taken to issuing staff with orange “Guantanamo” overalls most men made do with whatever came to hand.

Hence my suit was acceptable. Looming out of the darkness he must have cut a strange figure with hob-nailed boots, safety helmet, Deputy’s safety lamp and stick, and electric blue Teddy Boy suit.

That was my last Whitsundie suit, now I was one of my own. So next I went for a white sport coat with green cavalry twill trousers. Do you remember Terry Dene’s record “A White Sport Coat (and a Pink Carnation)”?

It got to number 18 in mid 1957 and was in the charts for 6 weeks. That gave me the idea but I never did try the pink carnation; I don’t think I would have got out of the Dinnington Miners Welfare Concert Room alive! In any event there was an accident first time out. It was in the Ivanhoe, Thurcroft and halfway down my first pint of Stones Bitter I thought I would light up a cigarette.

On striking the match with a flourish the head departed from the stick at about the same time it caught fire. This fell into my lap burning a small but very noticeable hole in the groin area of the new trousers.

The outfit then superseded the subterranean Teddy Boy suit.

My final attempt was to order a made-to-measure 3-piece suit in a loud virulent green bookmakers check. I wore it only once. The cloth had the consistency of wire wool and the trousers were too tight a fit under the armpits for comfort. It went straight down the pit.

At this point my father made it clear to me that any further cast-offs would have to be declined as he was beginning to lose all authority at work.

Farewells
In my time I must have delivered quite a few farewells to departing colleagues and always tried to strike a positive note, even when this was difficult, and whether the leaving was voluntary or otherwise.

Only once did I accept a few pages of notes put together by someone else. This was on the retirement of Tony Kirk, Head Hall Keeper, who I didn’t know well and who had been looked after mainly by my number two.

The notes were extensive, obviously well researched, and, I had to assume, accurate. As this was the first time I used someone else’s words I did read the stuff through a couple of times before the day but remained a little mystified by some of the comments through they were clearly meant to be humorous. Unfortunately I didn’t have time to check out what they all meant.

Come the day I plodded through the notes and was pleased to read that Tony would be achieving his lifetime’s ambition of retiring to live in a narrow boat, already acquired and stationed, on a canal, somewhere in the Midlands. He couldn’t wait. Somewhat mysteriously he had decided to call the narrow boat “The Enterprise” and after a lifetime of being ordered about he had decided he would be the Captain. Why am I saying all this, I wondered, but it seemed to be going down well.

I then heard myself saying that Tony would take time to explore the seldom-visited parts of the canal network or as the words I was reading put it “to boldly go where no man has gone before.” “Oh no,” I thought, “that’s is a split infinitive and I missed it”, but then the penny dropped, and I couldn’t do any more for laughing. The heavy references to Captain Kirk and his ship The Enterprise had at last got through.

Needless to say when my time came I refused to countenance any sort of retirement presentation even though I had, for a long time, carried with me a draft of my speech of response.

This was based on Bob Newhart’s “The Retirement Party”. Some of you may remember Bob did “Introducing Tobacco to Civilisation” which became very popular in the late 60s and began his imaginary telephone call to Sir Walter Raleigh out in America with those immortal words, “Hi there Walt baby.”

In his Retirement Party piece he takes the part of a long serving employee, slightly the worse for drink, who is retiring and responding to the oleaginous clap trap just spouted by the owner of the company. He starts off with, “Thank you for those kind words and comments about me and my service with your company. While listening to them there was just one thought constantly running through my mind - I think I’m going to throw up.”

A good start you must agree. Perhaps it’s just as well for me that the opportunity never arose. One day, perhaps…

The Suffolk Scribbler

COPY DEADLINES

PLEASE NOTE: Deadlines for The Terrier

- Summer edition – 1st June
- Autumn edition – 1st September
- Winter edition – 1st December
A ROSE BY ANY OTHER NAME

I must say that I admire the tremendous capacity of our present colleagues to absorb current best practice and apply this to their own situations. Over the years we've been very successful in learning from others and membership of ACES has been crucial in this regard. However sometimes it doesn’t quite go as planned.

Way back in the late sixties/early seventies we found a new lettings opportunity, ie locations for films and television. In our Borough we had a wide range of scenes including two Royal palaces, a Tudor dockyard and masses of industrial and commercial property in all sorts of condition. As the Army had to protect Woolwich Arsenal there were thousands of troops garrisoned there for over a hundred years and we specialised in redundant military buildings of one kind or another. It seems ironic now that The Arsenal site is famous in its own right as the site of Belmarsh Prison.

On a dismal winter afternoon in 1969 one of the lads came in to see me. He was new and very excited. He had had a meeting with a locations man who had made an offer which was many times our usual rate. I asked what the production was about. He understood that it was a children’s film something like Walt Disney. Everything went ahead and whilst I did ask a few times for some more details another crisis always came up and it duly went quiet.

A year or so later I was looking at the morning paper and something caught my eye. I called in the lad who had done the ground-breaking letting. “What was that film about again?” “It was called A Clockwork Orange. A kid’s film.”

“A kid’s film? That film is so violent that it is being copy-catted everywhere and Stanley Kubrick, the director/producer, has pulled every copy across the world!”

“What do we do boss?”

“Sit tight and start praying.”

Luckily Kubrick’s machine and his total control meant that apart from a few pirate copies, no one saw it for 30 years. I learnt a lot on that case, much of which I managed to pass on to colleagues but just as you shouldn’t judge a book by the colour of its cover, the major thing I learnt was that you must never complete a property transaction without seeing it in the flesh – or in the case of Mr Kubrick’s film, a whole lot of flesh.

Yesterday’s Man
THE TERRIER

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

ACES TRIFOLD

Encourage New Members

The new ACES "trifold" is a pamphlet produced by the ACES Council as an aid to recruitment and to help to give a brief outline of the work undertaken by ACES. Supplies of the trifold have been sent to all the branch secretaries and further supplies are held by Tim Foster, the Secretary.

Please don’t just file it or bin it! See if you can use your copy of the trifold to encourage at least one potential new member to join the Association.

An application form is available on the ACES website at:
www.aces.org.uk/publications.php4 The application form can be filled in online or it can be downloaded for completion by hand before posting to Tim Foster.

FEDERATION OF PROPERTY SOCIETIES

The last meeting of FPS was held on 13 March 2009, at CIPFA Headquarters, 3 Robert Street, London. In the absence of Stephen Costello, Ian Gould took the chair. Ian announced that he would be leaving Cheshire at the end of March and that this would be his last meeting. The meeting thanked Ian for the work he had put into the FPS over the past years, which was much appreciated, and Ian will be missed. Tony Cromer was welcomed back to FPS as the new President of COPROP.

Chris Hibberd of CBSS has produced a report on glass safety. Many LA’s responded to the need to provide greater safety in glazing at high risk locations by applying safety film. The warranty of this film will now have expired and studies have shown deterioration of performance. LA’s are recommended to review the management of this risk locally. See FPS website.

Good feedback had been received in respect of both the Compliance Monitoring and Suitability reports produced by FPS. Funding is available for further research.

A report was considered on whether changes should be proposed to the methodology used to measure condition of buildings. To my mind there were flaws in the document as it stood and we had a lively debate. FPS agreed that there was a need for refinement of definitions, that categories A-D should be retained but could be augmented and that Priorities of Defects at 1-4 are less useful as concentration tends to focus on highest priority defects given funding limitations and impact on service provision. Work is continuing on the analysis of repair needs for different types of building.

The Audit Commission’s follow-up report to “Hot Property” is still progressing. Council may recall my concerns expressed at the Basildon Council meeting as to the rather blunt analysis which led to some strange conclusions during early work on this report. I have not seen a draft of the report but feedback at FPS reinforces my concern. As things stand, I am concerned that the Audit Commission may produce a report which ACES finds difficult to support.

It was reported that FPS Scotland has met with RICS in Scotland to try and co-ordinate the public sector approach to Asset Management. I stressed the concerns which had been expressed to me on behalf of the ACES Scottish Branch. In response it was said that FPS Scotland does not seek to usurp the role of ACES in Scotland but instead hopes to help in providing support through the medium of a single voice for all local government property professionals.

At a previous meeting, FPS agreed to contribute £5,000 towards research into classroom design for the hearing impaired. All funding has now been secured and the project has commenced.

It was agreed that some initial scoping be undertaken regarding the approach to the coming Carbon Reduction Commitment.

John Morris
ACES Permanent Representative to FPS

ACES TRIFOLD

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

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