SUPPORTING GROWTH-BASED SOLUTIONS



WHO WE ARE

We are **creative** legal advisors, **experienced** in local government. We focus on **solutions** to provide **sector-leading** and **innovative models of growth**.

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They are organised, systematic and dogged. Tactically, they always put us on the front foot and they have an in-depth knowledge of their public sector client base.

Chambers LIK 2017

WELCOME

Welcome to today's roundtable event, hosted by Centre for Cities, Bevan Brittan and Turner & Townsend.

Bevan Brittan's local authority legal practice advises a significant number of local authority clients on realising the value of their assets, covering a spectrum of new models of service delivery and funding. Many of these are innovative and genuinely seeking new ways of operating. This is why Bevan Brittan is proud to support the launch of the second City Assets report.

Bevan Brittan is independently ranked number one for advising local authorities, meaning we truly know the issues particular to your organisation, providing practical, high quality and commercially relevant legal advice.

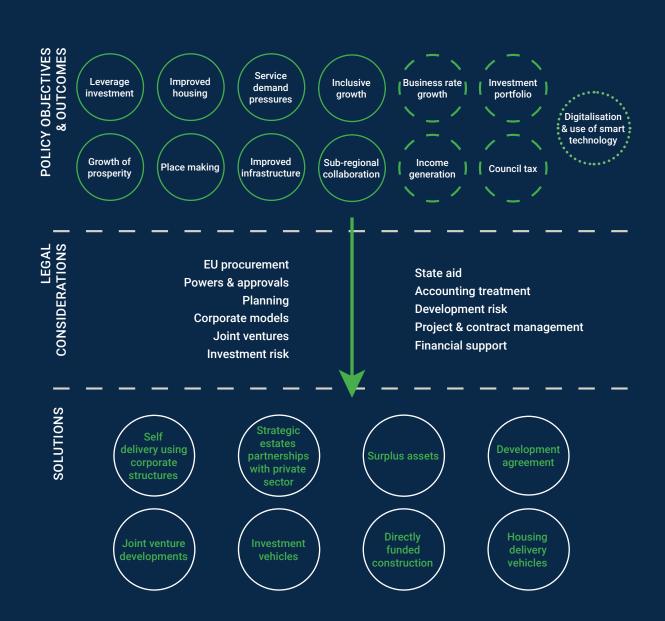
Working from our offices in London, Leeds, Birmingham and Bristol we reflect the nationwide location of our clients and markets – providing services across central and local government, housing, education, transport, health and over 100 private sector companies.







CHOOSING THE RIGHT MODEL FOR YOUR POLICY OBJECTIVES & OUTCOMES



YOUR CHALLENGE

Managing your authority's estate to optimise value using creative solutions.

Engaging the right expertise to generate business cases, deliver support service transformation schemes and securing financial benefits.

OUR SOLUTIONS

Many of the authorities that we work with pursue the creation of wholly owned companies charged with delivery through a series of arrangements. Other local government clients pursue a joint venture partner to creatively support business cases, as well as procurement and delivery.

Our solutions are set out in more detail overleaf.



SELF-DELIVERY

An authority is to create a wholly owned company ("Topco"). This entity will then act as a catalyst to assess opportunities and take forward any property development; investment opportunity or other initiative including disposal. This is likely to lead to creating a series of subsidiary entities, whether joint ventures with the private or public sector entities, or create special purpose vehicles for scheme specific opportunities.

The intention would be that Topco would be wholly owned by the authority. It will develop business cases for authority approval and then be charged as a procuring agent (as required) to deliver on the business cases. Topco would be expected to run these procurements and effectively fulfil the role of contracting authority. It would mean that individual schemes could be separately delivered and ringfenced. Any finance required for development would be put through a subsidiary joint venture or other entity.

STRATEGIC ESTATES PARTNERSHIPS

The authority is preparing a procurement with the intention to seek a private sector partner to form a corporate joint venture. The JV will have the opportunity to review the entire portfolio of assets, estate and related place based services. It will provide the remit to drive revenue generation, whilst improving the environment and supporting wider objectives of prosperity and growth.

The authority will be seeking a partner that can:

- · Develop business cases for sites or services
- Manage procurements for works or services (the subject of approved business cases) and project manage the construction activity, including raising necessary finance
- Find the right supply chain to deliver. This is unlikely to be the private sector's own group companies as these will not be tested in the procurement and will need to satisfy procurement regulations in the future
- Take on the contract management of existing and subsequent service contracts.

USE OF SURPLUS ASSETS

We are advising an authority who are in procurement for a partner. The intention is that the partner will form a corporate joint venture with the remit and ability to bring identified surplus sites back into use. The focus is to optimise rather than maximise value, with the objective to generate revenue from the authority's estate. The desired solution is that these sites will be developed for long term private sector rent (PRS).

The JV will be tasked with producing business cases for sites and carrying out a series of activities. These range from land promotion (and obtaining planning permission) through to raising funds to develop out sites. Larger sites may have a mix of residential and/or commercial properties and may include some disposals to make financial models work. The JV is likely to take on long term management responsibility for lettings and management too.

There are other public sector entities named in the OJEU who may access and use the JV for a range of the services described.



DEVELOPMENT AGREEMENT

We are advising many authorities on large single site regeneration projects often mixed use, but focussed on large housing estates or commercial redevelopment of town or city centres. The objectives are common but delivery routes vary depending on circumstances including land ownership, timing and appetite for risk.

JOINT VENTURE DEVELOPMENTS

Developments may be through a joint venture approach especially with adjacent landlords, or where development activity skills are required. These models are well tried and tested and vary from a single estate solution to long term partnerships, such as local asset backed vehicles. In these models, authorities have selected a long-term partner with the right to develop future assets. These models have a degree of flexibility, but the procurement will have been focussed on delivery as well as partnership. This is different to the strategic opportunities offered by other models.

INVESTMENT VEHICLES

We are advising many authorities on delivering their investment strategy. This can be as simple as asset purchase (hotels, office blocks, housing) from which to take a commercial return, to asset specific investment vehicles for investment and development.

DIRECTLY FUNDED CONSTRUCTION

The need to improve infrastructure and relatively cheap borrowing costs has seen authorities direct fund local assets. This may be social or economic infrastructure and business cases are becoming more frequent.

HOUSING DELIVERY VEHICLES

We are advising more than 30 authorities on the options for, and creation of, housing vehicles for a range of purposes. Many are now in delivery mode.

TRANSFORMATIVE ADVICE

Ensure your authority receives sector-leading advice.



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