



National Health Service in Scotland
Management Executive

St. Andrew's House
Edinburgh EH1 3DG

Dear Colleague

DELEGATION OF AUTHORITY
LAND TRANSACTIONS

Summary

1. This letter deals with the Direction which gives effect to the Chief Executive's decision to increase certain delegated authorities on land transactions. The Direction also revokes a Direction issued on 1 July 1989.
2. The letter does not apply to NHS Trusts whose position will be covered in a separate letter.
3. A further letter will issue about the delegated authorities for acquisition of land and property by purchase and lease when the current review of the existing procedures is completed. Until then, the existing delegated authorities for these cases continue for all Boards and the CSA.

Scope of Letter

4. The attached Direction is necessary following a review of the property transactions procedures and the introduction of new arrangements in NHS: MEL(1992)8 of 1 May 1992, The new delegated limits for certain Boards, take account of the recent post-disposal monitoring exercise conducted by the Chief Estates Officer and his staff. It gives to all Health Boards and the Common Services Agency authority to approve all leases of NHS land and property (except most concessionary leases) where the duration of the lease is less than 21 years and the annual rental does not exceed £20,000. On disposal of land by sale, the new delegated financial limits are as follows:-

- 4.1 £1,000,000 - Greater Glasgow Health Board only and,
- 4.2 £750,000 - Argyll and Clyde, Grampian, Lanarkshire, Lothian and Tayside Health Boards.

1 May 1992

SHHD Circular
DGM(1989)44 is
cancelled

Addressees

For action
General Managers,
Health Boards

General Manager,
Common Services Agency

For Information
General Manager, State
Hospital
General Manager,
Health Education Board
for Scotland

To be copied to Unit
General Managers for
information

Enquiries to:

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COMMON SERVICES AGENCY	
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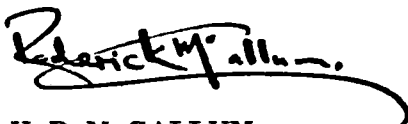
All other Health Boards and the CSA will continue with the current delegated limit for disposals of £500,000. Current consideration of delegated limits has concentrated on the Boards with significant disposals in train; decisions on the position of remaining Boards and the CSA will be announced in the near future. It will nevertheless be possible for Health Boards and the CSA to approve an offer above their delegated limit provided it is the highest offer, as agreed by the District Valuer, Central Legal Office and the Marketing Agent, and there are no features in the disposal where the prior written approval of the NHS Chief Executive is required for other reasons - see Annex D of NHS: MEL(1992)8 of 1 May 1992. It will, however, not be possible for Health Boards or the CSA to approve disposals of land or property which would continue to be used for the purposes of the NHS by another party (health centres or disposals on the basis of a partnership venture). The Secretary of State is not empowered by existing health legislation to delegate such decisions.

Action

5. Health Boards and the Common Services Agency are asked to implement these delegated authorities with immediate effect in line with the revised property transactions procedures outlined in NHS: MEL(1992)8.

6. The new delegated authorities carry with them responsibility for Health Boards and the Common Services Agency to execute instruments relating to all disposals (by sale or lease) of NHS land and property, whether within or above the new delegated financial limits, with the sole exception of transactions relating to health centres and partnership ventures - if appropriate after any required approval has been obtained from the Chief Executive. A personal authorisation for each General Manager and Director of Finance will issue shortly, replacing the authorisations issued on 20 January 1986. This letter should be copied to Unit General Managers for information.

Yours sincerely



H R McCALLUM
Director of Estates

NATIONAL HEALTH SERVICE, SCOTLAND
DIRECTION ON THE EXERCISE OF POWERS IN RELATION TO LAND
ACQUISITION OR DISPOSAL

The Secretary of State for Scotland, in exercise of the powers conferred on him by Section 2(5) of the National Health Service (Scotland) Act 1978 (in this Direction referred to as "the 1978 Act") hereby gives the following Direction to Health Boards constituted under Section 2(1) of the 1978 Act, to the Common Services Agency (hereinafter referred to as "the Agency") constituted under Section 10 of the 1978 Act:-

1. In exercising by virtue of Article 4(q) of the National Health Service (Functions of Health Boards)(Scotland) Order 1991 (SI 1991/570) or Article 3 of the Common Services Agency (Withdrawal and Amendment of Functions)(Scotland) Order 1991 (SI 1991/900) the functions of the Secretary of State under Section 79(1) or (1A) of the 1978 Act

(a) any Health Board or the Agency shall not, except with the consent of the Secretary of State where such prior approval in writing is required, acquire land in any case where the consideration or aggregate consideration for that land exceeds £100,000;

(b) Greater Glasgow Health Board shall not, except with the consent of the Secretary of State where such prior approval in writing is required, dispose of land in any case where the consideration or the aggregate consideration received for that land exceeds £1,000,000;

(c) Argyll and Clyde, Grampian, Lanarkshire, Lothian and Tayside Health Boards shall not, except with the consent of the Secretary of State where such prior approval in writing is required, dispose of any land in any case where the consideration or the aggregate consideration received for that land exceeds £750,000;

(d) Ayrshire and Arran, Borders, Dumfries and Galloway, Fife, Forth Valley, Highland, Orkney, Shetland, Western Isles Health Boards and the Common Services Agency shall not, except with the consent of the Secretary of State where such prior approval in writing is required, dispose of any land in any case where the consideration or the aggregate consideration received for that land exceeds £500,000;

(e) subject to the provisions of paragraph 2 hereof any Health Board or the Agency shall not, except with the consent of the Secretary of State, let land in any case where

(i) the rent or aggregate rent received for leasing that land exceeds £20,000 per annum, or

(ii) the period of the lease is for 21 years or more;

(f) Any Health Board or the Agency should not, except with the consent of the Secretary of State where such approval in writing is required, lease land in any case where the consideration or aggregate consideration paid for that land

exceeds £20,000 per annum or where the period of the lease exceeds 5 years.

⑨ any Health Board or the Agency shall not, except with the consent of the Secretary of State, enter into a contract for the letting of seasonal grazings or mowings, the duration of which exceeds 9 months or for the letting of seasonal croppings the duration of which exceeds 11 months.

2. Any Health Board or the Agency may grant a lease relating to the provision of gas or electricity supplies, provided that the District Valuer has approved the terms and conditions of the lease and that he is satisfied that the lease will not prejudice any future disposal of property by a Health Board or the Agency.

Commencement

3. This Direction shall have effect from 4 May 1992.

Revocation

4. The Direction dated 1 July 1989 is hereby revoked except to the extent that the said Direction relates to building or civil engineering schemes.



DIRECTOR OF ESTATES

EXPLANATORY NOTE

(This note does not form part of the Direction)

This Direction supplements the provisions of Article 4(q) of the Functions of Health Boards (Scotland) Order 1991 and of Article 3 of the Common Services Agency (Withdrawal and Amendment of Functions)(Scotland) Order 1991 (SI 1991/900) and sets financial limits on Health Boards and the Common Services Agency regarding the acquisition and disposal of land. The Direction of 1 July 1989 is revoked except to the extent that it related to building or civil engineering schemes.