



National Health Service in Scotland
Management Executive

St. Andrew's House
Edinburgh EH1 3DG

Dear Colleague

Telephone 031-244
Fax 031-244 2683

HEALTH SERVICE ESTATES MANAGEMENT:
PROPERTY TRANSACTIONS
MONITORING OF DELEGATED AUTHORITY

14 August 1992

Summary

Addressees

1. This letter initiates the 1992/93 monitoring cycle of property transactions. It also requests information on relevant transactions to allow monitoring visits to commence in early September. A Guidance Note on the arrangements is attached at Annex A.

For action:
General Managers,
Health Boards

General Manager,
Common Services Agency

For information:

General Manager, State
Hospital

General Manager,
Health Education Board
for Scotland

Chief Executives and
Chief Executives
Designate, NHS Trusts

To be copied to Unit
General Managers for
information

Scope of Letter

2. Although the terms of this letter are aimed at Health Boards and the Common Services Agency, it is being copied to the General Managers of the State Hospital and the Health Education Board for Scotland for information. Monitoring arrangements for the State Hospital and the Health Education Board for Scotland are being considered separately. The letter is also copied to the Chief Executives and Chief Executives Designate of NHS Trusts for information since the position of Trusts will be the subject of a separate Circular in due course.

Enquiries to:

Mr B G Callaghan
(Tel: 031-244 2425) or
Mr P F Lorimer
(Tel: 031-244 2423)
Estates Division
NHS Management
Executive
Room 355
St Andrew's House
EDINBURGH EH1 3DG

3. References to "Boards" in this letter and the Guidance Note should be read as meaning also the Common Services Agency.

Action

4. Boards and the Common Services Agency are asked in this letter to provide the information on property transactions requested at paragraphs 8, 9 and 10 of the Guidance Note by Friday 28 August.

Fax: 031-244 2323

5. This letter should be copied to Unit General Managers for action as required.

Yours sincerely

H R McCALLUM
Director of Estates

HEALTH SERVICE ESTATES MANAGEMENT: MONITORING OF PROPERTY TRANSACTIONS: 1992/93 CYCLE

Introduction

1. The 1992/93 monitoring exercise will be carried out in terms of Annex G of MEL(1992)8 issued on 1 May 1992. As before, the work has been sub-contracted to Estates Services (CS-ES) of the Scottish Office under the direction of the Chief Estates Officer, Mr Robin White. CS-ES will provide monitoring reports for each Board for the Chief Executive.
2. Commencement of this year's exercise has been delayed beyond the normal May start because of the introduction of the new procedures for property transactions on 1 May 1992. In future years the timing of the exercise will follow the pattern set out at paragraph 7 of Annex G.

Timing

3. This year the intention is that CS-ES will begin monitoring visits in early September with a view to providing reports for the Chief Executive by mid-November. The individual monitoring reports provided for each Board and CSA will form part of a report by the Management Executive to the Chief Executive by 31 December.

Scope

4. The purpose of the monitoring exercise is the scrutiny of Boards' implementation of delegated authority. The Chief Executive will consider the scope for further transfer of responsibilities if the Board's performance is satisfactory - and a reduction in responsibilities if it is not.
5. The timing of this year's exercise will allow consideration of the implementation of the new procedures introduced on 1 May. While it is too early to reach firm conclusions on the working of the new procedures, the monitoring may identify any significant issues and therefore allow them to be considered at an early stage.
6. The intention is that a visit programme will be drawn up in the light of information on transactions submitted by Boards. Where a visit is not possible, Boards may be asked to send the Health Board's file to CS-ES for inspection.

Monitoring Categories

7. For the purposes of monitoring, transactions will be broken down into the following categories:
 - 7.1 sales involving proceeds:
 - 7.1.1 of under £100,000 or,
 - 7.1.2 in excess of £100,000;

- 7.2 sale of NHS houses/residential accommodation:
 - 7.2.1 to sitting tenants,
 - 7.2.2 on the open market;
- 7.3 sales related to unconventional finance projects;
- 7.4 grant of lease of a value:
 - 7.4.1 of under £10,000 or,
 - 7.4.2 in excess of £10,000;
- 7.5 acquisition of property:
 - 7.5.1 by purchase,
 - 7.5.2 by lease;
- 7.6 transactions involving excambions.

Submission of Monitoring Proformas

8. To allow the scrutiny programme to be set up, Boards are asked to provide appropriate information on property transactions completed since returns were made for the 1991 monitoring exercise. Cases should be regarded as completed if offers have been accepted.

9. Boards should submit completed monitoring proformas for every disposal valued in excess of £100,000, or grant of lease valued in excess of £10,000 per annum (together with any required certification for transactions completed since 1 May). Boards should also indicate the number of other transactions they have handled in the various monitoring categories.

10. CS-ES would like to cover for each Board transactions completed up to the date of their visit (or desk scrutiny) which will take place between early September and the end of October. Boards should therefore provide monitoring proformas etc for every completed transaction at the time the information is submitted, and a note of the transactions where completion is expected by the end of October for the transactions for which monitoring proformas are required.

11. The required information should be submitted by Friday 28 August 1992 to:

Miss Denise Booth
Estates Division
NHS Management Executive
Room 355
St Andrew's House
Edinburgh
EH1 3DG
Tel: 031 244 2427

Visit arrangements

12. Annex B is a copy of a checklist and proforma which will be used by the Chief Estates Officer and his staff during the visits (or in undertaking desk scrutinies). CS-ES will agree with Boards direct a suitable visit date and at the same time request plans showing the location and layout of sites on the sample list. Plans should be provided by Boards 2 weeks in advance of the agreed visit date.

13. During a visit the scrutiny team member will wish to see the relevant file or files on individual transactions. He may wish to discuss matters needing clarification with the relevant case officer, and will normally make a site visit. It is important therefore that the appropriate members of the Board's staff are available during the period of the visit. The scrutiny team member is likely to be with the Board for about half a day per case. Some of the time will be spent examining case files and it would therefore be appreciated if the team member could be provided with facilities to allow this work to be done.

Categorisation

14. In preparing their reports for the Chief Executive on individual transactions, CS-ES will use the following categorisation:

- A. Transaction appears to have been properly conducted;
- B. There are reservations on how the transaction was conducted;
- C. A serious error of judgement has occurred in the handling of the transaction.

Results

15. The results of the monitoring scrutiny will be given to Board General Managers in due course. The Management Executive's report to the Chief Executive will contain an Action Plan for implementation before the next round of monitoring.

NHS in Scotland
Management Executive
August 1992

CASE CHECK LIST AND PROFORMA

Property Address

Brief Property Description (including area)

Type of Transaction: Sale/Lease/Licence/Purchase/Excambion

Date Declared Surplus

Purchaser

Date of Monitoring Visit

Price received

Date of Transaction

Is the transaction within SHHD/DGM(1989)44 Limits? **YES/NO**

ie Purchases of Land £100,000
 Sales of Land £500,000
 Leases of Land £20,000 pa; or over 3 years

Did Board (i) Seek Management Executive Approval? **Date**
 (ii) Obtain Management Executive Approval?

Was DV Advice Sought? **YES/NO** **Date Sought**

Was DV Advice Accepted? **YES/NO**

DV Guide Price **£** **Date Received**

Was CLO Advice Sought? (a) On Title **YES/NO** **Date**
 (b) On CLO saw sale conditions
 (c) At any other stage

Was Planning Advice Sought? **YES/NO** **Date Sought**

Was Planning Consent Sought before Sale? **YES/NO** **Date Sought**

Outline/Detailed **Date Received**
Current Use

Names of Firms of Planning Consultants on Tender List (if applicable)

COMMON SERVICES AGENCY	
RECEIVED: 17 AUG 1992	
DATE FILE No.	
REFERRED TO	ACTION TAKEN

Date Appointed

Name and Address of Firm Appointed (and the partner)

Names of Marketing Firms on Tender List

Name and Address of Marketing Firm Appointed

Open Market Bids

1. Date Property Advertised
2. Date Offers Received
3. Number & Amount of Offers
4. Amount of Offer Accepted

If highest offer not accepted, explain why?

Are there any Restrictions on Use/Clawback? Give Details.

If Leased. Why Leased and not Purchased?

Any Recommendations for Future Transactions?

Any Other Comments