



National Health Service in Scotland
Management Executive

St. Andrew's House
Edinburgh EH1 3DG

Dear Colleague

ESTABLISHMENT OF NHS TRUSTS - TRANSFER OF ASSETS

Summary

1. This letter expands the guidance contained in MEL(1993)65, on transfer of assets to Trusts, to make it clear that it is not the intention that property already on the market need be transferred to Trusts under the arrangements described.

Background

2. MEL(1993)65 explained the arrangements for the transfer of assets to NHS Trusts in an environment in which they looked likely to become the normal vehicle for the delivery of services. Paragraph 4 of the MEL proposed that surplus assets be retained by Boards but only to the extent that they genuinely anticipated that missives for their sale will be completed by 31 March 1994. Some uncertainty has been expressed on this point, and we would like to make it clear that if missives cannot be exchanged by that date, for property already on the market, it is not the intention that transfer must proceed regardless.

3. Given the present state of the property market, sales of property already on the market might not be concluded by 31 March 1994 and it could be counter-productive to transfer such properties to another body halfway through the process. Nevertheless it is not the intention that the process of transferring assets to Trusts should necessarily be delayed, and the presumption must be that properties affected by this clarification will generally have been on the market for some considerable time rather than be fresh on the market.

4. It has always been open to Boards and Trusts to agree that a Trust should assume responsibility for particular disposals before 1 April 1994, and the likelihood of the disposal being completed before that date should be a factor taken into account in making these decisions. In some cases it may be more efficient for Trusts to assume responsibility for disposals forthwith if it is clear that the process of disposal is going to be protracted.

19 November 1993

Addressees

For action:
General Managers,
Health Boards

Chief Executives,
NHS Trusts

Unit General Managers

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Disposals of property by Boards well into 1994/95 should be exceptional although it is recognised that disposals by Boards may continue to be necessary where the surplus property cannot readily be associated with the estate of a Trust or emerging Trust.

Action

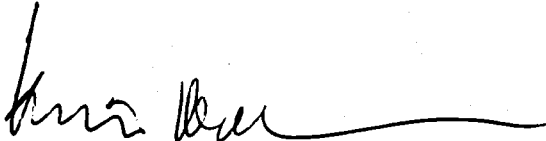
5. Health Boards and Trusts are requested to:

5.1 Bring this letter to the notice of all staff responsible for property and finance matters, and

5.2 Health Boards should press ahead with sales as quickly as possible and aim for completion by 31 March 1994.

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

Yours sincerely



GAVIN ANDERSON
Deputy Chief Executive