



National Health Service in Scotland
Management Executive

St. Andrew's House
Edinburgh EH1 3DG

Dear Colleague

HEALTH SERVICE ESTATES MANAGEMENT: NHS
PROPERTY TRANSACTIONS

Summary

1. This letter draws to the attention of NHS Trusts the attached copy of a Direction issued to Health Boards and the Common Services Agency regarding consent to various transactions in relation to heritable property.
2. Trusts are reminded, although the Direction does not apply to them, that it is expected that they will abide by Government requirements in relation to dealings in heritable property.

Action

3. Trusts are requested to:-
 - 3.1 seek the NHS Chief Executive's consideration of any proposed transaction which falls within the ambit of the attached Direction; and,
 - 3.2 bring this letter to the notice of all staff responsible for property and finance matters.

Other Information

4. This letter should be read in conjunction with NHS MEL(1993)73 covering the issue of the NHS Property Transactions Handbook.

Yours sincerely

H R McCALLUM
Director of Estates

24 May 1993

Addressees

For action:

Chief Executives,
NHS Trusts

For information:

General Managers,
Health Boards

General Manager,
Common Services Agency

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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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 and 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, acquire or dispose of land in any transaction which includes the acceptance of an actual or contingent liability exceeding a value of £100,000;

(b) any Health Board or the Agency shall not, except with the consent of the Secretary of State,

(i) dispose of any property at below market value, or

(ii) delay the disposal of any property which is surplus to NHS requirements, or

(iii) dispose of any property where an appointed Independent Valuer and the Property Adviser cannot agree on any particular aspect, including the terms of the sale, or

(iv) accept an offer or a revision to an offer received after the closing date which is higher than any offer received before that date, or

(v) dispose of any health centre or surgery property where the annual rental of any leased back premises is more than £20,000 per annum;

(vi) grant a concessionary lease ie a lease at a rental below market value, where the total value of the concession exceeds £2,500, or

(vii) make any proposals for the compulsory purchase of any property.

(c) any Health Board or the Agency shall not, except with the consent of the Secretary of State, in a case where the application of the Crichton Down Rules has been considered, dispose of any land

(i) for a non-NHS purpose to another Government Department rather than to the former owner; or

- (ii) to a consortium of former owners where the site concerned is for development or re-development, and comprises two or more previous holdings.
- (d) any Health Board or the Agency shall not, except with the consent of the Secretary of State,
 - (i) offer more for a property than the professional valuation, or
 - (ii) acquire a leasehold property or extend the lease of such a property where the annual rental exceeds £50,000 per annum, or where a premium exceeding £250,000 is proposed.

Commencement

2. This Direction shall have effect from 25 May 1993.

Revocation

3. The Direction dated 1st May 1992 is hereby revoked. This revocation is without prejudice to the revocation of the Direction dated 1st July 1989 except to the extent that the latter relates to building or civil engineering schemes.

H. R. Mallum

DIRECTOR OF ESTATES

