

HAMPSHIRE COUNTY COUNCIL**Decision Report**

Decision Maker:	Audit Committee
Date:	25 March 2010
Title:	Audit Commission Review of the management of the disposal of land and buildings
Decision Reference:	1379
Report From:	Director of Property, Business and Regulatory Services

Contact name: Peter Bennett

Tel: 01962 846635

Email: peter.j.bennett@hants.gov.uk

1. Executive Summary

1.1. The purpose of this report is to outline the outcome of a recent Audit Commission Review into the County Council's management of the disposal of its land and buildings, and to confirm the response that has been given to the Commission following approval by the Executive Member for Policy and Resources.

2. Background information

2.1. Towards the end of 2008, the Audit Commission indicated that it intended to undertake a review of the County Council's management of its disposal of land and buildings. Following discussion with the County Council's own internal auditors, it was decided this should be undertaken as a joint review in collaboration between Internal Audit and the Audit Commission. The following key lines of enquiry were agreed in order to identify and evaluate the procedures that the County Council has in place:

- An overview of the County Council's Property Management Strategy in relation to disposals
- An assessment of the County Council's decision-making processes in relation to the disposal of land and buildings
- Public involvement and consultation process, and engagement with partners
- The role of officers and Members
- How land and buildings are identified for disposal, the basis of property valuations and how best value is achieved/demonstrated

- Governance framework - probity and standards of conduct
 - Maximising the value of surplus property prior to disposal
 - Treatment of planning gains, ie opportunities to add value by, for example, obtaining planning consent.
- 2.2. The review involved interviews with officers and Members. A sample of property disposals were then selected by the Audit Commission in order to test existing procedures that are in place.
- 2.3. This sample of projects included sales that, taken together, accounted for approximately 50% of the capital receipts received in 2007/8. It included a representative mix of projects in terms of size, rationale for disposal, and project management responsibilities.

3. Main conclusions and recommendations

3.1. The Audit Commission's main conclusions as a result of the Review were:

- a) The County Council's approach to managing its property disposals is, in the main, sound, including:
- Disposing of land and buildings it no longer requires;
 - Holding clear information about its past, current and proposed future property disposals;
 - Having robust procedures in place governing the way that property disposals are transacted and
 - Making reasonable efforts to maximise the value of surplus property prior to disposal.
- b) However, the Audit Commission did make two recommendations where it felt improvements could be made in the way in which the County Council manages its property disposals, namely:
- Developing a disposals policy, and
 - Preparing up-to-date procedural guidance on disposals. This should cover the process for recording offers, including requirements for an officer from legal services to be present during the opening of offers and for those officers present to record their names as well as their signatures as evidence of their attendance. The revised guidance should also set out the criteria followed for reporting on disposals to Members in terms of the complexity and value of individual projects.

4. The County Council's response

4.1. The Audit Commission's report was largely positive, and indeed identified a number of examples of best practice. The recommendations for improvement contained in the report are relatively minor, but appear helpful, and accordingly a response has been given that these are agreed.

4.2. Commenting on each of the recommendations in turn:

- Recommendation 1 - The County Council should document its disposals policy.

Many local authorities are now preparing disposals policies which set out the authority's approach to the disposal of land and buildings. Although not essential, the preparation of such a policy does represent good practice and, having considered the recommendations in the report, it is proposed that a policy be prepared for approval by the Executive Member for Policy and Resources, and that this policy be incorporated within the annual Strategy for the Built Estate / Asset Management Plan report.

- Recommendation 2 – Updated procedural guidance should be prepared.

At the time of the Review, this was already underway as it was recognised that existing procedural guidance was outdated. This procedural guidance is being developed in order to ensure consistency of approach to all aspects of land and buildings disposals within Property Services.

5. Recommendations

- 5.1 That the outcome of the Audit Commission Review of the management of the disposal of land and buildings be welcomed, in view of its overall conclusion that the County Council's current approach is sound.
- 5.2 That the response to the specific recommendations for improvement contained within the action plan prepared by the Audit Commission be noted.

CORPORATE OR LEGAL INFORMATION:

Links to the Corporate Strategy

This proposal does not link to the Corporate Strategy but, nevertheless, requires a decision because it relates to the effective governance of the County Council's property assets.

Section 100 D - Local Government Act 1972 - background documents

The following documents discuss facts or matters on which this report, or an important part of it, is based and have been relied upon to a material extent in the preparation of this report. (NB: the list excludes published works and any documents which disclose exempt or confidential information as defined in the Act.)

Document

Location

None

IMPACT ASSESSMENTS:

1. Equalities Impact Assessment:

- 1.1 An equalities impact assessment has been considered in the development of this report and no adverse impact has been identified.

2. Impact on Crime and Disorder:

- 2.1. The County Council has a legal obligation under Section 17 of the Crime and Disorder Act 1998 to consider the impact of all the decisions it makes on the prevention of crime. The proposals in this report have no impact on the prevention of crime.

3. Climate Change:

- 3.1. The Audit Commission's recommendations have no impact on our carbon footprint / energy consumption. They relate only to processes.
- 3.2. These process improvements have no impact on long-term climate change issues.

FEEDBACK FROM CONSULTEES:**OTHER EXECUTIVE MEMBERS:**

Executive Member & Portfolio	Reason for Consultation	Date Consulted	Response:

OTHER FORMAL CONSULTEES:

Organisation	Reason for Consultation	Date Consulted	Response: