

Committee: CONSTITUTION TASK GROUP
Date: 24 MARCH 2003
Agenda Item No: 5
Title: ACQUISITION AND DISPOSAL OF ASSETS
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The Issues

- 1 The main aim is to consider whether the responsibilities of the various policy committees for the assets they control need clarifying, in particular the relationship between the Resources Committee and the other policy committees, and between all of them and the Council.
- 2 The starting point for this exercise was property, in the sense of land and buildings, but there may be issues concerning other assets, such as vehicles.

Past Practice – Delegation Scheme

- 3 The terms of reference of the former *Policy and Resources Committee* included “Control and review the use and allocation of the financial, manpower and property resources of the Council.”
- 4 The Committee had delegated responsibility for the management and maintenance of civic/municipal buildings, and property valuation and management.
- 5 The terms of reference of the *Community Services Committee* included “The promotion of the provision of adequate housing for all the residents of the Council’s District” and “The provision and encouragement of recreational, cultural and welfare facilities in the district.”
- 6 The Committee had delegated responsibility for the preparation, implementation and monitoring of, inter alia, Housing Programmes.
- 7 It also had overall responsibility for the Amenities Sub-Committee, the Environmental Services Sub-Committee and the Housing Services Sub-Committee.
- 8 The *Amenities Sub-Committee* had delegated responsibility for

- i) the provision and maintenance of off-street vehicle parking facilities.
 - ii) the provision, maintenance and funding of day centres.
 - iii) the provision, maintenance and the arrangements for managing leisure centres.
- 9 The *Environmental Services Sub-Committee's* terms of reference included provision of the vehicle management and maintenance service and it had delegated responsibility for
- i) refuse collection
 - ii) street cleansing
 - iii) the provision and maintenance of the cemetery
 - iv) public conveniences
- 10 The *Housing Services Sub-Committee's* terms of reference included carrying out the statutory functions of the Council as housing authority and the preparation of housing programmes for the approval of the Community Services Committee.
- 11 Its delegated responsibilities included
- i) the provision, allocation and management of the Council's housing accommodation.
 - ii) The administration of Council house sales
 - iii) the provision, maintenance, management and development of the Council's housing amenity areas and amenities, including
 - a) open spaces and recreational areas;
 - b) parking areas and garages;
 - c) un-adopted roads, verges, footways and street lighting.
 - iv) acquisition or disposal of land and/or property for housing purposes and the design and erection of new dwellings, subject to a maximum value of £25,000.
- 12 Whilst the delegation scheme referred often to provision, maintenance and management of facilities, buildings and services, the only direct reference to acquisition/disposal was that set out at paragraph 11 iv) above. However, the delegated authority to administer Council house sales was effectively an authority to dispose of assets.
- 13 Planned acquisitions and disposals of all kinds were included in capital programmes and revenue estimates, which were coordinated by the Policy and Resources Committee which then made composite recommendations to Council. This was slightly different from current procedure, whereby each Policy Committee in effect recommends its own revenue budget to the Council, with the Resources Committee providing the Council with an overview.

- 14 Where “one off” or opportunity major schemes involving acquisition (usually) or disposal of assets were proposed, they were considered by both the appropriate service committee and the Policy and Resources Committee and then by the Council.

The Current Delegation Scheme

- 15 One of the powers delegated to all committees is “Acceptance of a tender for any proposal already approved by the Council, provided it is capable of accommodation within the Committee’s budget and does not require a supplementary estimate.”
- 16 Part of the overall role of Policy Committees is to “Control and review use and allocation of assets and resources, within approved budgets.”
- 17 One of the Resources Committee’s terms of reference is “Monitoring the use of the Council’s assets and resources, the financial health of the council and expenditure against budget allocations, including the total level of expenditure of the Council, and reporting to the Council as necessary.”
- 18 One of the terms of delegation to the Resources Committee is “the management and maintenance of civic/municipal buildings”.
- 19 Another responsibility delegated to the Committee is “property valuation and management”.
- 20 The authority to acquire and/or dispose of land or property to a maximum value of £25,000 is now vested in the Health and Housing Committee, as is the administration of council house sales.
- 21 As already mentioned, each Policy Committee effectively recommends its own revenue budget to the Council, with the Resources Committee providing the Council with an overview, which may include (a) recommendation(s) different from that of a Policy Committee. Only Resources Committee, however, considers the capital programmes before they go to Council for final approval.
- 22 It is suggested that the above provisions are not entirely clear. They can be interpreted to mean that Policy Committees are authorised to make such acquisitions and/or disposals of the resources under their control, including land, as are necessary to enable them to discharge their functions, subject to any transactions being in line with Council policy and within the approved budget. If this is what the Council intended, and Members consider that the scheme as it stands is sufficiently clear, then the Task Group may feel that no change in the delegation scheme is needed. This would mean that a report on a proposed acquisition/disposal need only go to the Resources

Committee if a supplementary estimate is being sought. (This is required by the Council's Financial Procedure Rules). No report need be made to Council.

- 23 If members agree with the interpretation set out in the previous paragraph, but feel that the delegation scheme is insufficiently clear, they may wish to recommend that an appropriate provision should be included in the General Delegation to Committees and Task Groups (on page B.1 of the Members' Handbook), or Delegation to all Policy Committees (page B.3 of the Handbook).
- 24 Either of the above suggestions would be consistent with the aim of achieving clarity of responsibility and speedy decision-making.
- 25 However, it may be that Members feel that all proposals for the acquisition of land or property, (except those covered by the remit of the Health and Housing committee and mentioned above), or those above £25,000 should be considered as a matter of course by both the relevant Policy Committee and the Resources Committee. This would entail giving the Resources Committee more of a controlling than a monitoring role, and its terms of reference would need amending accordingly.
- 26 Either way, it is suggested that such proposals need go before Council only if they involve a departure from approved Council policy.

Conclusion

- 27 The first question for the Task Group is whether there is indeed an issue to be resolved. If it thinks there is, the options appear to be to recommend the Council to
 - a amend the delegation scheme to clarify that Policy Committees are responsible for the acquisition/disposal of the assets relating to the services within their remit, subject to any such transactions being in line with policy and within budget.
 - b amend the terms of reference of the Resources Committee to include consideration of all acquisitions/disposals (except those delegated to the Health and Housing Committee) above £25,000.
 - c amend the terms of reference of the Resources Committee to include consideration of all acquisitions/disposals except those delegated to the Health and Housing Committee.