

<b>Committee(s):</b>	<b>Date(s):</b>
Corporate Asset Sub (Finance) Committee	03 June 2014
<b>Subject:</b> Changes to Standing Orders for the Identification of Property Assets Surplus to Departmental Requirements	<b>Public</b>
<b>Report of:</b> Town Clerk	<b>For Information</b>
<p style="text-align: center;"><b>Summary</b></p> <p>At its meeting on 1 May 2014 the Court of Common Council approved a recommendation of the Policy and Resources Committee that a new provision be included in Standing Orders that is designed to formalise the process for Chief Officers and Committees identifying assets as surplus.</p> <p>This report provides an initial assessment of the issues involved in the effective implementation of the new Standing Order 55.</p> <p><b>Recommendation(s)</b></p> <p>Members are asked to:</p> <ul style="list-style-type: none"> <li>• Note this report</li> </ul>	

### **Main Report**

#### **Background**

1. At its meeting on 1 May 2014 the Court of Common Council approved several recommendations made by the Policy and Resources Committee concerning the Scheme of Delegations, Standing Orders and Project Procedure.
2. A recommendation affecting the Corporate Asset Sub (Finance) Committee (CASC) is the adoption of a new provision in Standing Orders that is designed to formalise the process for Chief Officers and Committees identifying assets as surplus.
3. The new provision – Standing Order 55 – is as follows:
 

***55. Identification of Property Assets Surplus to Departmental Requirements***

  - (1) *Committees are required to consider the effective use of all operational property assets. This will be monitored by the Corporate Asset Sub Committee.*
  - (2) *Where assets are no longer required, in whole or in part, for the provision of operational services for which they are currently held, a report on the circumstances must be made to the Corporate Asset Sub Committee. This*

*does not apply where lettings are an integral part of the service e.g. market or housing tenancies.*

### **Current Position**

4. Given that clause (1) of SO55 places an obligation on committees to review the effectiveness of the operational property assets under their control, and for the Corporate Asset Sub Committee to monitor this process, it will need to be established how these two obligations can be implemented effectively across the organisation, to ensure the Standing Order is fit for purpose. Whilst guidelines were drafted in anticipation of the change to Standing Orders, Members should note that these will now be evaluated before being put into practice.
5. One approach could involve service committees conducting a review of their operational property assets as part of their annual business planning cycle, the results of which would be reported to the Corporate Asset Sub Committee for review. This could involve Chief Officers making an annual statement on the utilisation of their operational property assets as part of their Quarter 4 Business Plan reports.
6. Should an asset become surplus to requirements during the course of the year due to unforeseen changes in accommodation needs, this would be dealt with on an *ad hoc* basis, outside of departmental business planning cycles. A procedure for dealing with this would need to be developed.
7. It may be also be necessary to establish a mechanism where a service department may be challenged over whether they are making effective use of one of their assets.
8. To meet clause (2) of SO55, one approach could be for a service committee seeking to declare an asset surplus to do so via a report to the Corporate Asset Sub Committee, in which it notifies CASC of its intention to declare an asset surplus. CASC would then refer the asset on to the appropriate decision-making committee for the asset to be disposed of or reallocated to another operational service within the organisation.

### **Corporate & Strategic Implications**

9. The effective implementation of SO55 meets a key policy priority of the City of London Corporation Corporate Plan 2013-17, in 'maintaining the quality of our public services whilst reducing our expenditure and improving our efficiency'.

### **Implications**

10. There is a small overlap in governance given that whilst it is now the responsibility of CASC to review the effective use of operational property assets, the wider review of organisational achievement of 'value for money' falls within the remit of the Efficiency and Performance Sub (Finance) Committee.

## Conclusion

11. The new Standing Order 55 formalises the role of the Corporate Asset Sub (Finance) Committee, given it obliges service departments – via their parent committees – to consider the effective use of all operational property assets under their control and report any implications arising to the Corporate Asset Sub Committee.
12. Nevertheless it will be necessary for appropriate reporting processes to be reviewed and further defined to ensure that SO55 will be fit for purpose when put into practice. Members are therefore asked to note that officers will work on defining these processes and reporting back to a future meeting.

## Appendices

- None

## Background Papers:

- [Report of the Policy and Resources Committee – \*Scheme of Delegations, Standing Orders and the Project Procedure\* – Court of Common Council, 1 May 2014](#)

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