

CHESHIRE EAST COUNCIL

REPORT TO: AUDIT & GOVERNANCE COMMITTEE

Date of Meeting: 29th March 2011
Report of: Borough Treasurer & Head of Assets
Subject/Title: Sale of County Hall

1.0 Report Summary

- 1.1 A report from the Audit Commission as external auditors of both Cheshire West & Chester and Chester East Council in respect of the sale of County Hall is attached as Annex 1.

2.0 Recommendation

- 2.1 That members receive and comment on the report.

3.0 Reasons for Recommendations

- 3.1 To ensure that members consider the issues and recommendations raised within the report.

4.0 Wards Affected

- 4.1 Not applicable.

5.0 Local Ward Members

- 5.1 Not applicable.

6.0 Policy Implications

- 6.1 None.

7.0 Financial Implications (Authorised by the Borough Treasurer)

- 7.1 As covered in the report.

8.0 Legal Implications (Authorised by the Borough Solicitor)

- 8.1 The legal issues relating to the sale of County Hall, the views of the Audit Commission relating to compliance, and recommendations for the future, are described in the Audit Commission report.

9.0 Risk Management

- 9.1 The sale of County Hall, Chester was one of the first high profile decisions taken by the councils and lessons learnt from this experience must be used in future decision making.

10.0 Background and Options

10.1 Following local government reorganisation on 1 April 2009, County Hall, Chester was one of a number of properties that remained in joint ownership of Cheshire West and Cheshire East Councils. In March 2009 Chester University expressed an interest in acquiring County Hall from the two new councils.

10.2 Between May and October 2009 the two new councils negotiated the sale of County Hall to Chester University, while Cheshire West also completed the purchase of the HQ office development. In August 2009 the District Auditor received correspondence from local government electors and from a member of Cheshire West expressing concerns and asking questions regarding:-

- the apparent lack of public consultation;
- perceived absence of proper option appraisal and/or cost benefit analysis; and
- overall value for money.

10.3 The Audit Commission's Code of Practice 2010 requires auditors to give a conclusion as to whether they are satisfied that an audited body has made proper arrangements for securing economy, efficiency and effectiveness in the use of its resources. Following the questions raised and substantial coverage in the local press the Audit Commission undertook a review to test the arrangements that each council has put in place for securing value for money.

10.4 This a joint report to Cheshire West and Cheshire East Councils and looks at the actions of both councils in relation to the sale of County Hall. The report was considered at a meeting of the Audit and Governance Committee of Cheshire West and Chester Council on 1 March 2011.

10.5 The report provides information on the following matters:

- Introduction and background information
- Auditor's conclusions
- Decision to sell County Hall to Chester University
- Valuations and value for money considerations
- Reporting to Members
- Consultation
- Conclusions and Recommendations

11.0 Access to Information

The background papers relating to this report can be inspected by contacting the report writer:

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