

Audit Committee

Note from the NHS Directorate on progress on the disposal of surplus estate

Recommendation vi - Progress on Disposal of the Residual Estate

With effect from 1 April 2002 the Assembly transferred responsibility for managing the disposal of the Residual Estate to Welsh Health Estates (WHE).

The NAO report on Renewal & Disposal of Property Held by the NHS in Wales identified 51 residual estate properties. Significant progress has been made and it is anticipated that this will be reduced to 27 by the end of 2004/05. The first year 2002/03 involved substantial preparatory work and although only £0.5million of receipts were received for this year over £16 million capital receipts are programmed from the sale of residual properties during 2003/04 and 2004/05.

Some properties remaining within the Residual Estate are not available for disposal due to either a requirement by NHS Trusts for long-term health use or the need for capital for the reprovision of services. Properties suitable for continued health use and required by health bodies are being transferred to the relevant organisation.

Preliminary disposal work on potential disposals within the remaining Residual Estate is being undertaken and being programmed where possible for 2005-2007 subject to the eventual programme for the reprovision of new facilities.

Recommendation ix

Substantial progress has been made in realising the additional £30 million. Although only £2.75 million of capital receipts were received from NHS property sales during 2002/03 a further £23 million has been programmed from NHS property disposals over 2003/4 and 2004/5.

Preliminary disposal work has commenced on properties having a combined value in excess of the £4 million required to achieve the identified £30 million. However the timing of receipts from these properties is dependant on the provision of capital investment for new facilities.