

Police and Crime Commissioner for Surrey – Decision Making Record

Report Title: Property Accounting Adjustment

Decision number: 011/2019

Author and Job Role: Ian Perkin Surrey PCC Treasurer

Protective Marking: OFFICIAL

Executive Summary:

The Police & Crime Commissioner owns and controls the assets held on the Surrey Police Group Balance Sheet. A problem has arisen regarding the ownership of residential properties held at 1 & 2 Chart Lane South, Dorking and at 2, 4 & 10 Evelyn Gardens, Godstone. Resolving the problem requires the Surrey Police & Crime Commissioner (PCC) to agree an accounting adjustment to ensure that the correct ownership of the properties and their value is reflected in the Surrey Police Group Balance Sheet. The reasons why this adjustment is needed are set out below.

Background

For many years the PCC Asset Register has included residential properties at numbers 1 and 2 Chart Lane South, Dorking and numbers 2, 4 and 10 Evelyn Gardens, Godstone, with an indication that the PCC has a 50% share of the value.

The 50% book value of these properties are currently show in the Asset Register as:
Chart Lane South - £192k
Evelyn Gardens - £201k

The 50% ownership over these properties would have been transferred to the PCC from Surrey Council (who were assumed to have retained the other 50% of ownership) under the provisions of the Police and Magistrates Court Act 1994 which established the Surrey Police Authority.

The ownership in the properties previously owned by Surrey County Council were transferred by way of a number of legal vesting agreements, each of which listed a range of properties. File records indicate that a number of properties were disputed during negotiations, including those listed above, but neither the Chart Lane or the Evelyn Garden properties were included within any of the vesting agreements, so beyond a general understanding that there was an intention to share the properties there was no formal legal recognition of the Police Authority's interest in the properties. Notwithstanding this lack of legal ownership recognition, a 50% interest in both properties was recorded on the Surrey Police Authority Asset Register.

An examination of Land Registry records has revealed that the Surrey PCC has full legal title to the Chart Lane properties, but has no registered interest in the Evelyn Gardens properties, which have a new registered owner, Surrey County Council having sold these properties with no share of the proceeds coming to the PCC.

Legal opinion has been sought on the position regarding these properties and the advice received is that the Surrey PCC has no claim on the share proceeds that derived from Surrey County Council's sale of the Evelyn Garden's properties, but has full legal title to the Chart Lane properties, as Surrey County Council have not raised a formal dispute regarding their ownership. The legal advice therefore, is that the PCC's Asset Register should be amended by the removal of the Evelyn Garden properties 50% value (£201,000) and that the entry in respect of the Chart Lane properties 50% value (£192,000) should be increased to the current 100% re-valued figure of £790,000, so that the net increase in value over that currently shown in the Register will be £397,000.

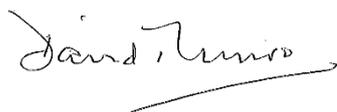
Recommendation:

That the proposals set out in the legal advice be actioned.

Police and Crime Commissioner Approval

I approve the recommendation(s):

Signature:



Date: 17/05/2019

All decisions must be added to the decision register.

Areas of consideration

Consultation

No consultation is required

Financial implications

The financial implications are explained in the report

Legal

The legal implications are outlined the report

Risks

No risks have been identified

Equality and diversity

No issues arise

Risks to human rights

No risks have been identified