

Public Forum

Audit Committee

24 June 2021



	Name
1. Access to Information	Clive Stevens (Cllr Tony Dyer presenting)
2. Land Valuation	Helen Powell

Statements	
	Name





QUESTION 1 - Clive Stevens

Access to Information for Audit Committee

Dear Audit Committee

Firstly, Congratulations to councillors for being elected / re-elected; and for being selected for Audit Committee, which is one of the few checks and balances in a Mayoral Authority.

Secondly, I was Vice Chair of Audit for nearly five years until February 2021 when I stepped down.

And thirdly to my two questions...

Access to Information is absolutely core to the ability of Audit Committee to make judgments on whether decisions taken by the mayor (or officers in his name) are Value for Money. This assessment is a relatively new requirement going back just a few years.

I welcome this report (Agenda 18) and the confirmation of what was agreed back in January, at point 5, the sharing of information with that "subgroup" of Chair, VC and Independent Member. What was actually agreed (right at the end of that meeting) was that the Monitoring Officer would share an outline of the confidential information to the subgroup and they would decide if it was necessary to share it with the rest of Committee. Feel free to check the webcast.

What this report seems to do in the Appendix is to limit the scope of the information that you might decide you need to see. I agree it's helpful to have an outline but there are many other issues that come up that require a Value for Money assessment by Audit Committee. Value for Money is not even mentioned in that Appendix. Some examples, taken from my time 2016 to 2021:

- We had two payoffs to outgoing Chief Executives, the second of which turned out to be non-contractual and its Value for Money was questioned.

- Additionally the Mayor continued with bad investments and it was difficult to assess the Value for Money until the information was forced out into the open by the External Auditors.

-And I notice in the last line of the Appendix that this could be limited to materiality. That's a technical term that has, in the past, meant over £17million. I'd hate you to not be able to investigate a poor investment of £10 million because it's not material, for example.

Question 1: Is the new Chair of Audit Committee assured by this report so that he and his Committee now have enough access to Information to be able to do what is a really important job, i.e. holding the mayor to account for the value for money of decisions?

The Chair will respond verbally within the meeting.

Question 2: Much of the lack of access to information has been down to the Legal Department taking a view that the public interest test is not sufficient to overturn the need for confidentiality. I understand that these judgments are taken by the Council's Legal Officers. I hope each one is documented, but each of these judgments is in itself confidential. How can the Chair of Audit Committee be assured that the Legal Department are taking balanced decisions when considering release of information to Scrutiny and/or Audit Committee in the public interest?

The Chair will respond verbally within the meeting.

Written response requested.

QUESTION 2 – Helen Powell

By way of background, I raised a question at the Audit Committee meeting on 25 June 2020 regarding the valuation of Stoke Lodge Playing Fields (SLPF) and how the land is treated in the Council's financial statements. Further investigation and research subsequently revealed that:

- SLPF is valued on a basis that is significantly inconsistent compared to other playing field sites, resulting in a very low valuation (£6,650) being attributed to this 21-acre site.
- I was informed that 'there is no value to the City for the term of the lease' - but this fails to recognise that the lease is not a standard academy lease, but provides for ongoing community use of the land, which therefore has amenity value to the City.
- Officers are unclear as to how much of the land is subject to the lease (maintained by Cotham School except for trees and boundaries) and how much is outside the lease. An area was surrendered out of the lease in order to allow construction of a play park - the surrender land is shaded purple on the attached plan taken from the lease (marked A) following a consultation process (recorded in Neighbourhood Partnership minutes in 2012-14).

I have set out below a summary of my correspondence with officers on these matters. Please note that no criticism of the officers involved is intended; I appreciate that they are both busy and that resources have been stretched over the last year. However, I find it very difficult to reconcile the discrepancies noted below and would be grateful for the Audit Committee's answers to the following questions:

- 1. What steps does the Committee take to satisfy itself that it has correct information about how Council-owned land is held/maintained?**
- 2. What steps does the Committee take to satisfy itself that consistent valuation principles are applied, and that these correspond to the use and amenity status of Council-owned land?**
- 3. What steps will the Committee take to ensure that it has accurate information about (a) what land is subject to the lease at SLPF; (b) what land is outside the lease at SLPF; (c) the acreages recorded and valuation principles applied; and (d) how the land is valued and recorded in the Council's financial statements?**

Answer: HM Land Registry registration documents prove title to land and any leases/tenancy agreements completed and received from Legal Services and confirmed by officers are recoded on the property database.

To ensure valuations in the accounts are up to date the latest property information is held on a number of property systems ensuring a revaluation programme with robust valuations.

The Council employ qualified valuers with significant experience and local knowledge that is also complimented by using external valuers where the needs arise. This ensures valuations are undertaken regularly and in accordance with the latest standards to provide robust valuations of the Council's estate for completion of the financial statements of the authority. The Council only value assets above the Council's de minimis of £20k.

These property valuations are tested vigorously by the external auditors to provide assurance the financial statements give a "true and fair view".

The audit Committee take assurance that the valuations are undertaken accurately by the use of professional valuers as detailed in the financial statements and that the valuations of all Council assets are externally audited as part of the annual accounts and detailed in the external audit report.

4. What steps will the Committee take to confirm whether the discrepancies identified here are repeated at other sites across the City, or does it consider that they are specific to SLPF (and if so why)?

Answer: For the examples given they were valued on a consistent basis however there are differences with regard to the final valuation held due to nature of the lease of timing of the valuation. For Kellaway Avenue the valuation was undertaken prior to the lease agreement being in place and therefore represents the full value. Since the lease agreement was signed the asset is removed from the Council's balance sheet and not revalued. With regard to Stoke lodge playing fields the same valuation methodology was applied however as a lease was in place at the point of valuation and therefore although a similar valuation per hectare was applied the value of £6,650 is the reversionary value of the asset, reflecting there is 124 years left to run on the lease. Neither of these assets are now on the balance sheet so haven't been revalued since 2012.

The Muller Road valuation, due to the nature of the dual use agreement means this remains on the balance sheet and remains part of the valuation programme.

Valuation of the land

The information I gathered via an FOI request and the written answer to my question to the Audit Committee in June 2020 was that SLPF was last valued in April 2012 at £6,650, but has been 'derecognised' and is not included in the financial statements because it is leased to Cotham School. The written answer provided for the 25 June meeting stated that 'there is no value to the City for the term of the lease'.

In the Public Forum part of the meeting, I noted that the written statement conflicts with the terms of Cotham School's lease, which is not a standard academy lease. The lease stipulates that Cotham School's rights as tenant are 'subject to all existing rights and use of the Property, including use by the community'. The Council obtained legal advice in early 2020 on this issue. This is not the only differentiating factor in the lease: as well as providing for shared community use, the Council retains liability for all boundaries and trees on site (in recognition of shared amenity use) and Cotham School has a much-reduced repair and maintenance responsibility for the land compared to a standard academy lease. Thus the Council retains potentially significant liabilities for land that it no longer recognises as an asset and in which it says its residual interest is not material. In my view the Council is failing to recognise the ongoing community use value of this designated important open space; I do not believe that the statement that SLPF holds 'no value to the City' is correct or aligns with the terms of the lease.

Following the meeting, I received information on other Bristol playing fields. I wrote to Tony Whitlock on 23 July 2020 seeking to reconcile the conflicting information provided. In particular, the information showed that vastly different valuation figures are being used for sites with apparently similar usage. For example:

- Kellaway Avenue Playing Fields is under a 125 year standard academy lease to Redland Green School with no community use provision. It is 2.7278 hectares in size. It was valued in April 2012 at **£40,770 per hectare**.
- Muller Road Recreation Ground is subject to a 121+ year dual use agreement with Fairfield High School (the school also pays a service charge for maintenance). This site is open to community access - i.e. the arrangement 'on the ground' is very similar in practice to what the lease provides for at SLPF. It is 6.8806 hectares in size. It was valued in 2018 at **£35,000 per hectare: £241,000**.
- Stoke Lodge Playing Fields, by contrast, is subject to a 125 year lease from 2011 with a shared community use provision. In April 2012 an area of 8.72 hectares (presumably thought to be the leased area) was valued at £6,650. This equates to a valuation of **under £763 per hectare**.

If SLPF had been valued at the rate applied to Kellaway Avenue, the value of this smaller area would be over £300,000. Why is it valued at only £6,650? In addition, the amenity value of SLPF under the lease is

more like Muller Road than Kellaway Avenue but it seems that the terms of the lease have been ignored in the valuation of the properties.

I have had no response to follow-up emails since 29 September 2020.

Acreage involved/who holds the land

I have also been in correspondence with Richard Fletcher, Parks Service Manager, following an information request (reference number 13769909) relating to SLPF. My information request was:

‘In the second half of 2012 a consultation was carried out with interested parties about the location of a new children’s play area at Stoke Lodge Playing Fields. The BCC officers involved included Richard Fletcher, Neighbourhood Engagement Manager, and Liz Peddle (asset manager for CYPS). The play area was constructed on land adjacent to Shirehampton Road and the car park of Stoke Lodge House. This land was surrendered from the lease that was previously granted in 2011 to Cotham School (marked in purple on attached plan taken from the lease)... Please confirm which department(s) within BCC currently hold and/or maintain the land.’

In a response dated 5 March 2021, I was informed:

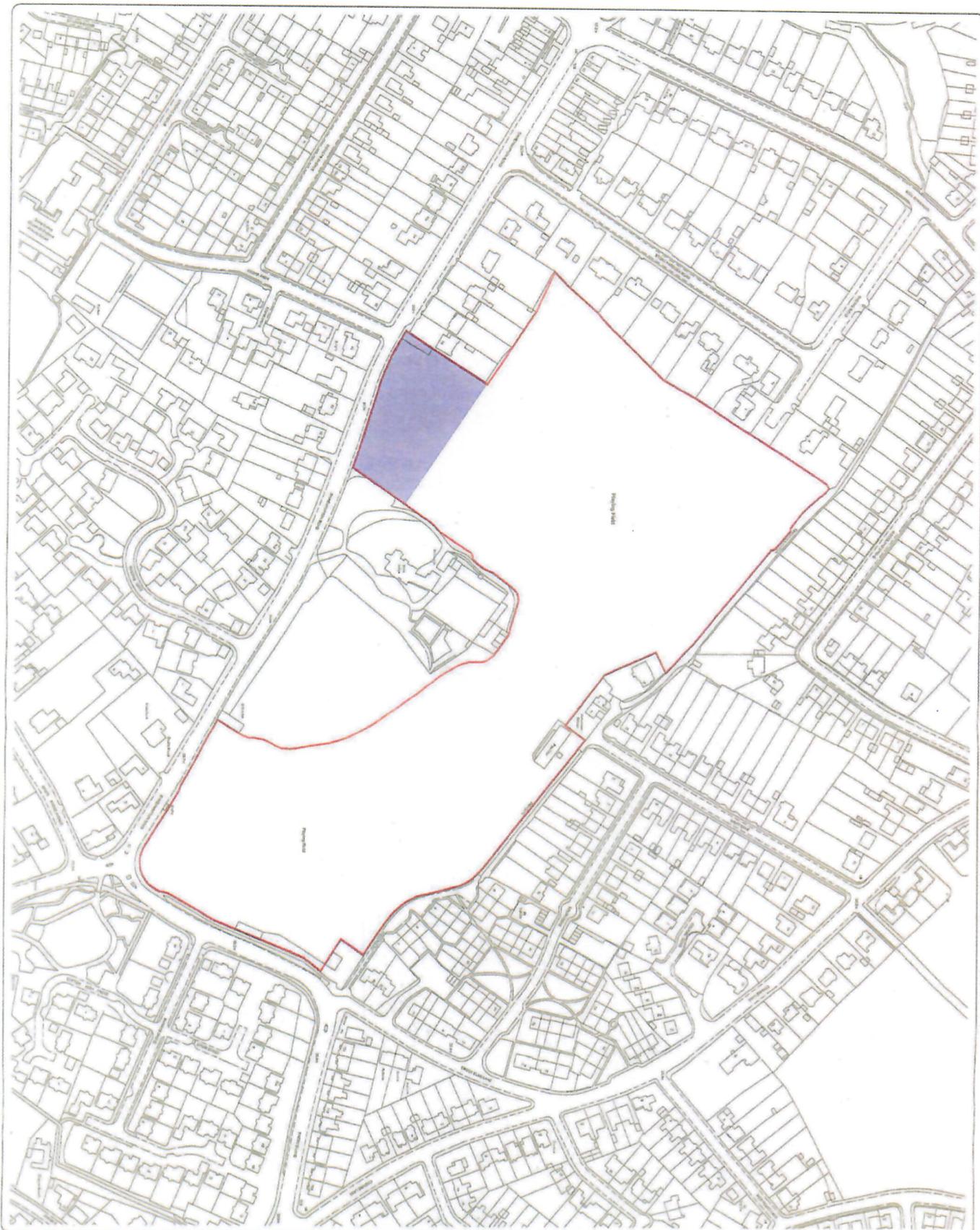
‘The land at Stoke Lodge Playing Field is held by our People Directorate. The map [attached marked B] identifies that there are distinct areas with regard to maintenance responsibilities:

- The blue area is leased to Cotham School and is managed and maintained by them. The council retains responsibility for costs relating to boundary features, fences, walls and trees in this area.
- The pink area is leased to Cotham School but is maintained by the Council’s Parks and Green Spaces Service as a children’s play area.
- The brown area is managed and maintained by the Council’s People Directorate.’

I replied on 5 March asking for further clarification and pointing out that the whole of the purple area on the plan marked A had been surrendered from the lease; it is maintained by BCC Parks Services and I understand from speaking to Jenny Wilkes at the Adult Learning Centre that she exercises management duties in relation to it and liaises with Parks as appropriate. Since being surrendered, this part of SLPF has never been maintained by the school.

On 15 March I emailed again, attaching a plan submitted with a new application for tree works made by Cotham School (21/01390/VP) on which the school had indicated its lease line marked in blue (see Plan C). This is consistent with the exclusion of the surrender land from the leased area.

I have received no response to these emails.



Stoke Lodge Playing Fields,
Shirehampton Road,
Stoke Bishop.

nmw
capstone

A

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CORPORATE PROPERTY

Plan No : N35019
 Prop ID Ref : Z37
 Polygon Ref : 38970
 Scale : 1:2,500 @ A3
 Date : 03 August 2011



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 MB Carter, Strategic Director - Corporate Services



- Legend**
- TYPE**
- Childrens Equipped Play Area
- BCC Ownership**
- PE - ED-Academy Schools
 - PE - ED-Community Learning
 - PE - ED-General
- User**

Bristol City Council
Stoke Lodge



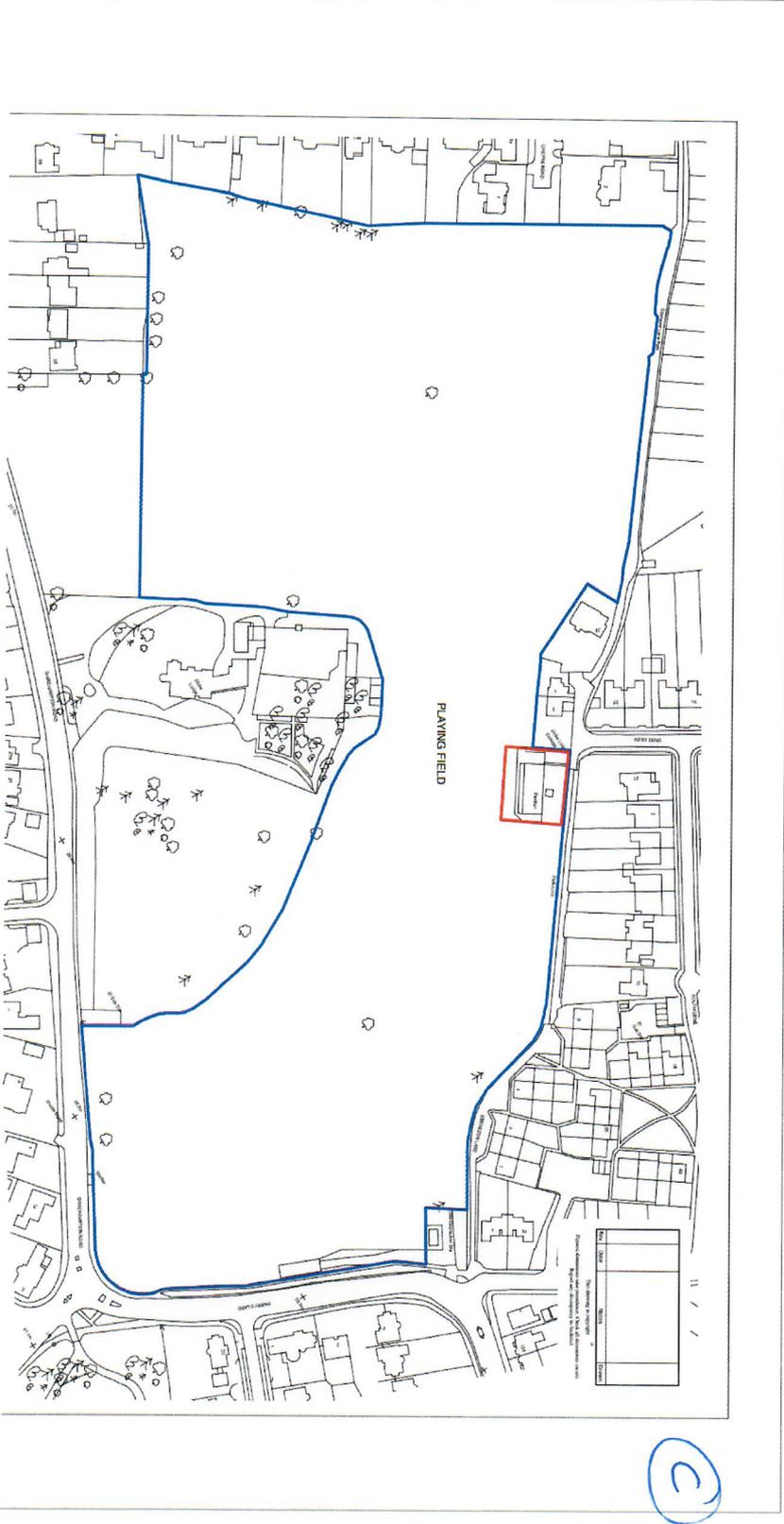
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PARKS & GREEN SPACES

Scale : @A3 1:1,568
Date: 05/03/2021

GROWTH & REGENERATION
MANAGEMENT OF PARKS SERVICE
Bristol Parks Service
Bovver Fashion Depot, Kennel Lodge Rd, Bristol,
bristol@bristol.gov.uk
www.bristol.gov.uk/parks



Kendall Kingscott
 Chartered Architects
 Chartered Building Surveyors
 Master Planners
 Civil Services

Stoke Lodge Pavilion
 Cotnam School
 17200 42nd Freeway, Vancouver

160896 P(0)01
 Location Plan
 1/2/17 GP SL PLANNING