
REGULATION 13: FIXED ASSETS (CURRENT)

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This regulation covers all physical assets such as land, property, equipment or stock, which would be expected to feature as fixed assets on a balance sheet. Assets which are less tangible or easy to value such as staff, council information and documents and ICT data are covered in [Regulation 14 – Other Council Assets](#).

13.1 OVERVIEW

- 13.1.1 **Responsibility for Physical Security:** Directors and Chief Officers are responsible for maintaining proper security of all building, equipment, vehicles, stocks, stores and cash under their control. This includes minimising the risks of natural hazards, theft, damage and misuse.
- 13.1.2 **Storage of Cash:** Maximum limits for cash holdings shall be agreed with the Statutory Chief Finance Officer and shall not be exceeded without her express authority.
- 13.1.3 **Keys:** Keys to safes and similar receptacles holding cash, or which provide access to a secure environment or limited supply, shall be the personal responsibility of named individuals to whom they are issued. Such individuals are responsible for the safe custody of the keys. The loss of such keys must be reported to the Statutory Chief Finance Officer promptly.
- 13.1.4 **Acquisition of Assets:** Assets should be acquired in accordance with the procurement rules laid out in [Financial Regulation 15](#). Any asset to be obtained by a leasing arrangement must meet the conditions stipulated in [Financial Regulation Support Document 12](#).
- 13.1.5 **Asset Register:** The Statutory Chief Finance Officer shall maintain the 'Asset Register' which contains details of all assets leased or owned by the Council which exceed the Capital de-minimus levels, as set out in [Financial Regulations Support Document 15](#). This must be maintained in accordance with any guidelines issued by CIPFA and the Council's Asset Management Plan.
- 13.1.6 **Capital Charges:** Information about the value of capital assets owned by the Council must be maintained in such a way as to show the real costs of utilising these assets in providing services.
- 13.1.7 **Updates to Asset Register:** Directors and Chief Officers shall provide on a regular basis such information as is required by the Statutory Chief Finance Officer for the maintenance of the register.

13.2 LAND & PROPERTY

13.2.1 **Maintenance of Portfolio:** The "Nominated Chief Officer with responsibility for Estates" shall carry out an on-going review of the Council's land and property portfolio, in accordance with the Asset Management Plan.

The objective should be to optimise the income within the other policy guidelines of the Council by the sale, lease or appropriation of surplus land and property, the restructuring of existing leases and where appropriate the acquisition of land and property to enhance the value of existing assets.

13.2.2 **Terrier Record:** The "Nominated Chief Officer with responsibility for Estates" shall maintain a terrier of all land and property owned or leased by the Council (including dwellings provided under the Housing Acts) recording:

- (a) the purpose for which land acquired
- (b) location
- (c) plan reference
- (d) acquisition or sale details
- (e) nature of interest
- (f) rents payable or receivable
- (g) particulars of tenancies granted
- (h) rent review dates
- (i) any other information required by the Asset Management Plan

13.2.3 **Security of Title Deeds:** The title deeds to all land and property belonging or mortgaged to the Council must be kept secure by the Democratic and Legal Service.

13.2.4 **Maintenance Records:** The "Nominated Chief Officer with responsibility for Estates" shall ensure that current records are kept of the maintenance of land and property owned or in the control of the Council.

13.2.5 **Property Security:** Appropriate arrangements should be put in place to secure Council property in accordance with Financial Regulation Support Document 34: Security of Premises Policy and Guidance.

13.2.6 **Non Council Property:** Directors and Chief Officers shall notify the "Nominated Chief Officer with responsibility for Estates" of all cases where steps are necessary to prevent or investigate loss or damage of property not belonging to the Council but in its control.

13.3 FURNITURE, EQUIPMENT, VEHICLES AND PLANT

13.3.1 **Due Care:** Each Manager with budget responsibilities is responsible for the care and protection of all furniture, equipment, vehicles and plant within their control or used by their service.

13.3.2 **Security Markings:** All items of equipment should bear security markings identifying them as belonging to the Council, wherever possible.

13.3.3 **Loans of Equipment:** Council property (owned or hired) must only be used on Council business and any temporary removal from the normal workplace, or for use other than as part of their normal duties, must be authorised by the appropriate Director or Chief Officer and the details of receipt and return recorded.

13.3.4 **Items to Record in Inventory:** All individual items of equipment, vehicles and plant with a value in excess of **£50** must be recorded on an inventory kept in the relevant department. All items that Managers consider to be vulnerable because of their usefulness or portability, or which could be the subject of an insurance claim, should also be recorded on the inventory.

Furniture is generally not required to be recorded. ICT equipment shall be kept in a separate inventory maintained by ICT Services.

13.3.5 **Details to Record:** The inventory record should contain the following details:

- a) item description, model and serial number
- b) supplier name
- c) order number and date of purchase
- d) location held/person to whom issued
- e) value at date of purchase.

Where equipment with a recognised market value is used in a 'pool' rather than assigned to one particular person then an additional record should be maintained of individual removal and return of equipment for Council purposes.

13.3.6 **Changes to Equipment:** Inventories should be amended to reflect any modifications, damage, disposal or permanent relocation of any items as they occur.

13.3.7 **Inventory Checks:** Managers with budget responsibilities should verify the accuracy of inventories at least annually and report any discrepancies to their respective Director or Chief Officer.

Where items are attractive or easily removed, more frequent checks should be carried out.

13.3.8 **Reporting of Losses:** Directors and Chief Officers should ensure that any equipment losses are reported to the Statutory Chief Finance Officer to arrange insurance claims and adjust the Asset Register as appropriate.

13.4 STOCKS AND STORES

- 13.4.1 **Stock levels:** Each Manager with budget responsibilities must make arrangements for the maintenance of reasonable levels of stocks and stores in his/her department and any establishments under his/her control. The level of stock considered reasonable should be those necessary for the economic, effective and efficient provision of the service.
- 13.4.2 **Records of Stock Levels:** Appropriate up to date records of the level of stocks and stores held must be maintained. The Statutory Chief Finance Officer shall be entitled to receive on demand details of the quantities and values held.
- 13.4.3 **Stock Valuation:** The method of stock valuation employed must be agreed by the Statutory Chief Finance Officer.
- 13.4.4 **Stock Movements:** Appropriate records of stock and store movements (receipt and issue) must be maintained, including reference to the persons handling these transactions. All movements must be reconciled to prime documents such as invoices.
- 13.4.5 **Stock Checks:** Each Manager with budget responsibilities must arrange for periodical, independent examinations of stocks and stores, at least once a year.
- 13.4.6 **Reporting of Discrepancies:** The Statutory Chief Finance Officer must receive a list of all significant surpluses and deficiencies resulting from these checks, together with explanations of any significant differences, and will adjust the accounts accordingly.

13.5 DISPOSAL OF ASSETS

- 13.5.1 **Disposal of Assets:** Any land, property or other asset that the Council wishes to sell, lease to a third party or otherwise dispose of, should be done in a way that achieves the best considerations for the Council, and in accordance with the table below. *NB: Cut off values relate to the current estimated market value of the item or batch of items for disposal.*
- Prior to a decision being made to sell the asset, confirmation must be sought that it is 'owned' by the Council.
- 13.5.2 **Disposal of ICT equipment:** ICT equipment can only be disposed of by ICT Services, and if it is considered redundant in accordance with the ICT strategy. However, the procedures set out in the table should still be adhered to.

13.5.3 **Disposal of Land and Property:** Land and property can only be disposed of in conjunction with Estates Services in accordance with the Disposal Strategy. Any valuations must be undertaken by the "Nominated Estates Manager" or a suitably qualified person.

LIMITS FOR DISPOSAL OF ASSETS

Type of Asset	Cut off Value (see note below)	Key Rules Governing Disposal	Main Requirements
Land and Property Furniture, Equipment, Vehicles, Plant, Stocks	over £10,000	Disposal Strategy and Financial Regulations	<ul style="list-style-type: none"> Report by Director or Chief Officer to Executive, or appropriate committee, containing professional valuation, proposed method of disposal, and implications of sale Method of disposal must include Public Advert or Notice inviting expressions of interest, and/ or where appropriate sealed tenders controlled by Democratic and Legal. <p><u>Bids match or above valuation</u></p> <ul style="list-style-type: none"> "Nominated Chief Officer with responsibility for Estates" to award to highest tender and report to Executive, or appropriate committee, after disposal <p><u>Bids below valuation</u></p> <ul style="list-style-type: none"> Nominated Chief Officer with responsibility for Estates" to report to Executive or appropriate Committee, before disposal
Land and Property	£5,000 - £10,000	Disposal Strategy and Financial Regulations	<ul style="list-style-type: none"> Report by Director or Chief Officer to Executive, or appropriate committee, containing professional valuation, proposed method of disposal, and implications of sale Appropriate method of disposal as per 13.5.6 <p><u>Bids match or above valuation</u></p> <ul style="list-style-type: none"> Nominated Chief Officer with responsibility for Estates" to award to highest tender and report to Executive, or appropriate committee, after disposal <p><u>Bids below valuation</u></p> <ul style="list-style-type: none"> Nominated Chief Officer with responsibility for Estates" to report to Executive or appropriate Committee, before disposal
Land	Up to £5,000	Scheme of Officer delegations	<ul style="list-style-type: none"> The Nominated Chief Officer with responsibility for Estates" can negotiate disposal of surplus land subject to the details being reported for information to the Executive spokesman for Policy, Strategy and Finance.
Furniture, Equipment, Vehicles, Plant, Stocks	£250 to £10,000	Financial Regulations and CSOs (if tenders used)	<ul style="list-style-type: none"> Appropriate method of disposal as per 13.5.7 Final Disposal agreed by Head of Service in conjunction with Statutory Chief Finance Officer
Furniture, Equipment, Vehicles, Plant, Stocks	Under £250	Financial Regulations	<ul style="list-style-type: none"> Appropriate method of disposal as per 13.5.7 or 13.5.8 Final disposal agreed by Director or Chief Officer.

13.5.4 **Propriety:** All employees must be mindful of the Council's [Anti-fraud and Corruption Policy](#) in relation to disposal of assets and must take all appropriate steps to avoid allegations of collusion or favouritism.

13.5.5 **Tenders:** Any method of disposal using tenders must employ official council envelopes designed for this purpose, which are either received by Democratic Services, or collected on the Council's behalf by a nominated estate agent.

A representative from Democratic Services must be present at the opening of the tenders to record the bids received.

13.5.6 **Land and Property Methods of Disposal:** The method of disposal for all land and property over **£10,000** must include a Public Advert or Notice, and any bids received must follow the tender procedure.

Alternative methods of disposal that can be used for the disposal of land and property under **£10,000** (or in addition to the above if a to c) include:

- a) Approved Estate Agents
- b) Auctions (with a reserve price)
- c) Negotiations with neighbouring land owners
- d) Sealed Bids opened by service with two officers present

13.5.7 **Other Asset Methods of Disposal:** The method of disposal for all furniture, equipment, vehicles, plant and stocks over **£10,000** must include a Public Advert or Notice, and any bids received must follow the tender procedure.

Alternative methods of disposal that can be used under **£10,000** (or in addition to the above if a to c) include:

- a) Advertisement in specialised journals
- b) Auctions (with a reserve price)
- c) Part Exchange for Replacements
- d) Sealed Bids opened by service with two officers present
- e) Any other method of disposal approved by the Nominated Chief Officer with responsibility for Estates".

The method of disposal chosen should have the objective of obtaining the best price for the Council, net of disposal costs.

13.5.8 **Disposal of Low Value Assets:** Where the value of items, other than land and property, is less than **£250** other potential methods of disposal also available, in order of consideration, are:

- a) arranging alternative use elsewhere within the Council where possible.
- b) quotes for disposal to original supplier/scrap/second-hand merchants
- c) internal tenders to employees (with reserve price representing minimum market value.)

SECTION C: RISK MANAGEMENT & CONTROL – REG 13 (Fixed Assets)

- d) donation to a local non-profit making groups (with regard to any health and safety implications)
- e) open donation to employees (with regard to any health and safety implications)
- f) arranging disposal via internal Cleansing services
- g) any other method of disposal approved by the Director or Chief Officer

13.5.9 Income Collection: Any payment resulting from the disposal of an asset should be paid into the Council's bank account as soon as possible. The asset should not be released until receipt of the income has been confirmed.

Other Points of Reference (underline denotes a hyperlink is available)

[Financial Regulation 9: Capital Budgets](#)

[Financial Regulation 14: Other Council Assets](#)

[Financial Regulation 15: Contracts and Procurement](#)

[Financial Regulation 19: Income Collection and Banking](#)

[Financial Regulation Support Document 12: Leasing of Assets](#)

[Financial Regulation Support Document 15: Capitalisation of Expenditure](#)

Financial Regulation Support Document 34: Security of Premises Policy and Guidance (In progress)

[Constitution Part 4.5: Scheme of Delegation to Officers](#)

Asset Management Plan

Property Strategy

Disposal Strategy

Repairs and Maintenance Strategy

In Progress

Financial Regulation Support Document 16: Disposal of Assets