

## REGULATION 13: PHYSICAL ASSETS (PROPOSED)

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This regulation covers all physical assets such as land, buildings, 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 – Non Tangible Assets](#).

### 13.1 OVERVIEW

- 13.1.1 **Asset Register:** The Statutory Chief Finance Officer will maintain the 'Asset Register' which contains details of all assets leased or owned by the Council which exceed the Capital de-minimus levels. This must be maintained in accordance with the accounting policies of the Council.
- 13.1.2 **Updates to Asset Register:** Heads of Service will provide information as required by the Statutory Chief Finance Officer for the maintenance of the asset register.
- 13.1.3 **Due Care:** Heads of Service are responsible for maintaining proper security, care and protection of all building, equipment, vehicles, stocks, stores and cash under their control. This includes minimising the risks of natural hazards, theft, damage and misuse.
- 13.1.4 **Reporting of Thefts:** The Statutory Chief Finance Officer and Nominated Audit Manager shall be informed, as soon as possible, of any break-in, theft or attempt at such, and any loss otherwise suffered.
- 13.1.5 **Reporting of Losses:** The Statutory Chief Finance Officer and Nominated Audit Manager shall be informed of any missing equipment or significant shortfalls in stock as soon as possible after discovery, together with explanations for the loss, if known.

### 13.2 LAND & BUILDINGS

- 13.2.1 **Maintenance of Portfolio:** The "Nominated Director with responsibility for Estates" shall carry out an on-going review of the Council's land and buildings portfolio, to ensure it continues to meet the corporate objectives.
- 13.2.2 **Acquisition of Assets:** All negotiations for the purchase, occupation and development of land and buildings owned by third parties, or use of Council land (with the exception of casual lettings) should be carried out in liaison with the Head of Estates and the Council's Procurement Officer.

Any land acquisition over **£10,000** should be approved by the Executive Committee.

- 13.2.3 Any asset to be obtained by a leasing arrangement must be carried out in liaison with the Statutory Chief Finance officer and meet the conditions stipulated in [Financial Regulation Support Document 12](#).
- 13.2.4 **Property Terrier Record:** The "Nominated Director with responsibility for Estates" shall maintain a record of all land and buildings owned, mortgaged or leased by the Council (including dwellings provided under the Housing Acts) in accordance with appropriate professional practice.
- 13.2.5 **Clear responsibilities:** The "Nominated Director with responsibility for Estates" is responsible for ensuring that the Council's arrangements for managing land and buildings owned, mortgaged or leased by the Council, are formally documented as Financial Regulation Support Document 41.

This should include responsibilities for the following:

- Custody and security of the title deeds.
- Security of buildings in accordance with Financial Regulation Support Document 34: Security of Premises Policy and Guidance.
- Arranging for appropriate insurance cover.
- Carrying out condition surveys and prioritising the works.
- Management of budget allocations for building maintenance.
- Procurement of repairs and maintenance works.
- Record keeping of the repairs and maintenance carried out.
- Carrying out and recording inspections of land and buildings.
- Carrying out and acting upon the results of corporate premises hazard and health and safety risk assessments.
- Carrying out and acting upon the results of energy efficiency assessments.

### 13.3 FURNITURE, EQUIPMENT, VEHICLES AND PLANT

- 13.3.1 **Records of Assets held:** The Transport Manager will maintain appropriate records of the vehicles and plant held by the Council
- 13.3.2 The Head of ICT will maintain appropriate records of the IT equipment held by the Council.
- 13.3.3 Heads of Service will maintain appropriate records of all other furniture, equipment, heritage or infrastructure assets held or deployed by their service.

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This will include maintaining an up to date inventory of all individual items with a purchase value in excess of **£200**, plus items considered by the Head of Service to be of high importance to the service, vulnerable to loss and/or which could be the subject of an insurance claim if lost or damaged.

13.3.4 The inventory records maintained should include the minimum information determined by the Statutory Chief Finance Officer.

13.3.5 **Loans of Equipment:** Council property (owned or hired) should not be removed other than in the ordinary course of the Council's business except in accordance with directions issued by the Head of Service concerned.

13.3.6 **Inventory Checks:** Heads of Service should arrange for the accuracy of the inventory to be verified periodically at a frequency appropriate to the risk of loss of the individual items recorded.

### 13.4 STOCKS AND STORES

13.4.1 **Stock levels:** Heads of Service must make arrangements for the maintenance of reasonable levels of stocks and stores in his/her control. The level of stock considered reasonable should be that necessary for the effective delivery of the service.

13.4.2 **Records of Stock Levels and Movements:** Heads of Service should ensure that appropriate up to date records of the level and value of stocks and stores held are maintained. This should include appropriate records of movements in stock. The Statutory Chief Finance Officer shall be entitled to receive on demand details of the quantities and values held.

13.4.3 **Stock Checks:** Periodical physical examinations of stocks and stores held, against the stock records, should be carried out at a frequency based on the value and vulnerability of the stock.

### 13.5 DISPOSAL OF ASSETS

13.5.1 **Disposal of Assets:** Any land, building or other asset that the Council wishes to sell, transfer its interest in, or otherwise dispose of, should be done in a way that achieves the best consideration for 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.

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

**13.5.4 Methods of Disposal of Assets over £1,000:** The following are approved methods of disposal for assets with an estimated potential market value at the time of disposal of £1,000 or more:

- Public Advert or Notice, inviting tenders in accordance with the Council's Contract Procedure Rules;
- Advertisement in specialised journals
- Use of Approved Estate Agents
- Use of Auctions (with a reserve price)
- Part Exchange for Replacements
- Negotiations with neighbouring land owners
- Sealed Bids opened by service with two officers present
- Any other method of disposal endorsed by the "Nominated Director with responsibility for Estates" (land and buildings) or "Nominated Director with responsibility for Procurement" (other).

Where the estimated asset value is greater than **£10,000** the method of disposal would normally involve open competitive tenders, unless it can be justified that this would not be in the Council's best interest.

**13.5.5 Methods of Disposal of Assets Under £1,000:** Disposal of assets under **£1,000** should be carried out in accordance with the [Financial Regulations Support Document 42-Policy for Disposal of Council items, equipment, waste and materials in the Council's control](#).

**13.5.6 Authorisation of Disposal:** The method of disposal proposed to achieve the best consideration for the Council must be authorised, and the final disposal reported, in accordance with the table below:

| Type of Asset                                 | Estimated potential market value at the time of disposal | Approval of Method of Disposal                         | Reporting of Disposal  |
|---|--|--|--|
| All   | <b>More than £10,000</b>                                 | Executive Committee                                    | Report to Executive Committee <u>prior</u> to disposal if price to be achieved is below the valuation. |
| Land and buildings                            | <b>£10,000 or less</b>                                   | The Nominated Director with responsibility for Estates | Report to Executive portfolio holder for Policy, Strategy and Finance <u>after</u> disposal.           |
| Furniture, Equipment, Vehicles, Plant, Stocks | <b>£1,000 to £10,000</b>                                 | Director and Statutory Chief Finance Officer           | None   |
| Furniture, Equipment, Vehicles, Plant, Stocks | <b>Less than £1,000</b>                                  | Head of Service  | None   |

**13.5.7 Release of Asset:** The asset should not be released until receipt of the income has been confirmed.

**13.5.8 Exemptions:** The disposal rules above do not apply to properties that are sold as a result of a statutory obligation.