

SPENNYMOOR TOWN COUNCIL



ASSET MANAGEMENT, WRITE-OFF AND DISPOSAL POLICY

Author of Policy:	Town Clerk
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1. Definition of Asset Management

A set of tools and organisational procedures designed to support the proficient management of equipment and software. Asset management stresses full lifecycle management from procurement to disposal.

Policy Objectives:

- To facilitate the overall management of risk for all capitalised equipment, land, buildings and software for the organisation
- To improve asset utilisation, identify and remove problem assets and those assets which are dormant avoiding redundant maintenance and warranty coverage
- To generate and maintain an accurate and current Asset Register of all equipment and software
- To ensure the organisation fulfils its legal, statutory and audit requirements in relation to capitalised equipment and software.
- To provide appropriate management information in relation to capitalised equipment and software

Policy:

1. An Asset Register will be generated and maintained by the Finance Manager. This Register will include all capitalised equipment and software with a purchase or revaluation value of £1,000 and above, including collection items that in total equal or exceed £1,000.
2. The Asset Register will be available to all staff with detailed access provided for those with purchasing or local management responsibilities.
3. The Register and related information will be used to generate management information for the organisation including:
 - a. Improved forecasting and budget allocation;
 - b. Improved procurement decisions by provision of information to assist in the determination of such issues as the costs / benefits and risks of lease versus purchase options; and,
 - c. Improved planning and flexibility of technology upgrade and refreshment.

4. A single process will, as far as possible, be employed for the procurement, maintenance and disposal of all capitalised equipment and software. The process and procedures in relation to the life-cycle of equipment is outlined in the policy statements of the annual accounts which are compiled in compliance with current financial regulations. These processes will assist the organisation to:
 - a. Ensure assets are subject to the appropriate disposal processes which abide by all legal, statutory or audit requirements.
 - b. Ensure that design specifications for equipment are directly linked to business requirements and address the entire lifecycle.
 - c. Reduce over-provisioning of equipment and software.

2. Disposal

- 1.1 Entities that dispose of capital assets and redundant or excess stock/property need to ensure they have clearly set out processes to ensure that the disposal of unwanted resources takes place in a transparent and accountable manner.
- 1.2 Disposals should be carefully planned and conducted so that they maximise value for money for the Council and minimise opportunities for exploitation by individual employees, private persons or organisations.
- 1.3 The Town Clerk is responsible for ensuring that this policy is followed.

3. Definitions

- 2.1 Assets: include but may not be limited to, financial assets (debtors, loans), real property, plant and equipment, furniture and fittings, vehicles, intellectual property, data and information.

- 2.2 Disposal: includes the sale, scrapping, write-off, barter, trading or any other means of ceasing beneficial ownership or custody of assets.
- 2.3 Write off: specifically refers to the removal of an asset from the Council asset register, or Statement of Financial Position, at nil value.

4. Principles

- 3.1 Assets will be disposed of in a manner that ensures the Council achieves the best net value of the asset.
- 3.2 Disposals will be conducted in an efficient, effective and transparent manner.
- 3.3 All asset disposals will be appropriately authorised by The Town Clerk for assets valued at £1000 or below and the Policy and Resources Committee for assets valued above £1000, and adequately documented in the Asset Disposal Folder.
- 3.4 Disposal processes will ensure that assets that are sold or scrapped are removed appropriately from the asset register and financial records and will facilitate appropriate stewardship of assets.
- 3.5 Council Officers and Members must not be advantaged over members of the public.
- 3.6 At no time will any assets be disposed of directly to Officers and/or Members. Officers and/or Members may purchase an asset in an open tender process provided they have no decision making involvement in the disposal process.
- 3.7 All disposals of assets will be through an open, fair and transparent process. Wherever possible this will be achieved by open tender.
- 3.8 Independent appraisals of value will be obtained for higher value assets prior to their disposal as set out in the procedures.
- 3.9 There will be occasions where assets have only a nominal value and are obsolete to the Council, but may be of use to another organisation e.g. a charity. In these instances the Town Clerk will take a report to the Policy and Resources

Committee to seek approval for disposal outside the normal scope of this policy.