

RIBBLE VALLEY BOROUGH COUNCIL REPORT TO ACCOUNTS AND AUDIT COMMITTEE

meeting date: 28 SEPTEMBER 2022
title: DISPOSAL OF ASSETS
submitted by: DIRECTOR OF RESOURCES
principal author: JANE PEARSON

1 PURPOSE

- 1.1 To inform members regarding the process followed for the disposal of assets and how such receipts are used.

2 FINANCIAL REGULATIONS

- 2.1 The Council has a set of Financial Regulations which provide the overall key control framework to enable the organisation to exercise effective financial management and control of its resources and assets. Another key purpose of the Regulations is to support and protect Members and staff in the performance of their duties where financial issues are involved.
- 2.2 These are reviewed annually by Policy and Finance Committee and approved by Full Council. Importantly they form part of the Council's Constitution.

Extract from Financial Regulations – Section 13 Assets

5) Disposal of Assets

The Council has a duty to obtain the best price reasonably obtainable when any assets are disposed of.

The Head of Legal and Democratic Services may approve the disposal of any land and property below the value of £50,000. Approval must be sought from the relevant service committee and Policy and Finance Committee for the disposal of any land and property of £50,000 or above.

The Director of Resources must also be consulted on any proposed method of disposal for any assets in order to ensure that such methods meet the best interests of the Council and would maximise any financial return to the Council.

Each Director is responsible for ensuring that asset disposals are in accordance with these procedures.

3 PROCESS FOR DISPOSAL OF VEHICLES

- 3.1 A manager wishing to dispose of a vehicle is required to set out options for its disposal along with a recommendation of the preferred option and reason for this. This is submitted to their Director for approval and then further to the Director of Resources.
- 3.2 Options include (but are not limited to):
- trade in
 - sale via advertising

- sealed bids
 - reserve price
 - sale via an auction (local or specialist)
 - sale for scrap.
- 3.3 The recommended method will much depend on the condition and roadworthiness of the vehicle being disposed of.
- 3.4 In terms of the use of proceeds from the sale of vehicles, this depends on the amount realised.
 - For amounts over £10k these must be set aside as capital receipts. They are credited to the Usable Capital Receipts Reserve as capital income and are then used to fund the capital programme
 - For amounts under £10k these are credited to the Capital Reserve Fund and though these are officially in a revenue earmarked reserve we use these receipts to also fund the capital programme

4 CONCLUSION

- 4.1 The recommended method of disposal depends much on the estimated value of the asset and in the case of vehicles their current roadworthiness.

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