

**Policy Document Control Page**

**Title**

**Title: Procedure for the Condemning and Disposal of Equipment**

**Version: V3**

**Reference Number: CO76**

**Keywords:**

**(please enter tags/words that are associated to this policy) – DISPOSAL, CONDEMN, CONDEMNING, ASSETS**

**Supersedes**

**Supersedes: V2**

**Description of Amendment(s):**

- **Harmonisation with community trusts**

**Originator**

**Originated By: Jonathan Campbell**

**Designation: Head of Capital Projects and Design**

**Equality Impact Assessment (EIA) Process**

**Equality Relevance Assessment Undertaken by: Jonathan Campbell**

**ERA undertaken on: 17 August 2012**

**ERA approved by EIA Work group on: 17 August 2012**

**Where policy deemed relevant to equality-**

**EIA undertaken by**

**EIA undertaken on**

**EIA approved by EIA work group on**

**Approval and Ratification**

**Referred for approval by: Jonathan Campbell / Richard Walker**

**Date of Referral: 25 March 2015**

**Approved by: Richard Walker**

**Approval Date: 25 March 2015**

**Date Ratified by Executive Directors: 20<sup>th</sup> April 2015**

**Executive Director Lead: Director of Finance**

**Circulation**

**Issue Date: 22<sup>nd</sup> April 2015**

**Circulated by: Performance and Information**

**Issued to: An e-copy of this policy is sent to all wards and departments**

**Policy to be uploaded to the Trust's External Website? Yes**

**Review**

**Review Date: 25 March 2016**

**Responsibility of: Richard Walker**

**Designation: Director of Capital Investment & Estates Services**

**This policy is to be disseminated to all relevant staff.**

**This policy must be posted on the Intranet.**

**Date Posted: 22<sup>nd</sup> April 2015**

**PROCEDURE FOR THE CONDEMNING AND  
DISPOSAL OF EQUIPMENT**

# **PROCEDURE FOR THE CONDEMNING AND DISPOSAL OF EQUIPMENT**

## **1. INTRODUCTION**

Pennine Care NHS Foundation Trust must ensure that there are proper procedures in place for the condemning and disposal of equipment that is unserviceable or is no longer required.

## **2. THE CLASSIFICATION OF EQUIPMENT**

### a) Non-Capital Assets

Non-capital assets shall be deemed to include all items of furniture, medical equipment, computer equipment, etc. below the current capital value of £5,000 (Inc. VAT).

### b) Capital Assets

Capital assets shall be deemed to include all items of capital equipment recorded in the Trust's Asset Register £5,000+ (Inc. VAT).

### c) Nominated Officers re Equipment is further classified as:

<u>Equipment</u>	<u>Nominated Officer</u>
Medical Equipment	Medical Director
IM&T Equipment	ICT Director
Electrical/Mechanical	Director of Capital Investment & Estate Services
Furniture & Furnishings	Director of Capital Investment & Estate Services
Vehicles	Director of Capital Investment & Estate Services
Any other equipment	Director of Finance

The condemning and disposal of the types of equipment listed above will be the responsibility of the relevant Nominated Officer as set out in this procedure. A Directorate Manager or Head of Department may request that a piece of equipment be condemned or disposed of, but the final decision will rest with the Nominated Officers set out above.

ICT equipment is not offered for resale and is excluded from this document. Please see Policy CO52 – Disposal and Destruction of Removable Media.

The disposal of Medical Equipment is covered in detail in the Tameside Hospital NHS Foundation Trust Medical Equipment Disposal Policy.

### 3. TRUST ASSET REGISTER

The Capital Finance Team is responsible for the maintenance of the Asset Register, taking account of the advice of the Director of Finance concerning the form of the register and method of updating and arranging for a physical check. Updating and physical check of assets will be conducted annually.

Where capital assets are sold, scrapped, lost or otherwise disposed of, their value must be removed from the accounting records and each disposal must be validated by reference to authorisation documents and invoices (where appropriate). This applies to all capital assets on the Trust Asset Register (original costs would have been in excess of £5,000).

See Standing Financial Instructions 11.3.4

### 4. THE CONDEMNING AND DISPOSAL OF EQUIPMENT

When it is decided to dispose of a Trust asset, the Directorate Manager/Head of the Department, confirmed by the Nominated Officer (Section 2c) will determine and advise the Director of Finance (or duly authorised representative) of the estimated market value of the item, taking into account age and condition and after seeking professional advice where appropriate.

See Standing Financial Instructions – 13.1

Equipment may be disposed of for the following reasons:

(a) Surplus to Requirement

Where a piece of equipment is found to be surplus to requirement but remains serviceable the appropriate Nominated Officer should be informed. The Nominated Officer may decide to retain the equipment in storage or deploy it elsewhere.

Items of surplus equipment with an inherent value to the Trust may be offered for sale. Before offering surplus equipment for sale a value for money exercise must be carried out to determine whether or not the money realised from the sale of the goods will pay for the administration costs necessary to conduct the sale (current replacement value/second-hand value/relevant internet sites).

Therefore items will be offered for sale under the following categories:

Under £50 – within the Department (stage 1) on the Trust Intranet (stage 2)

£51 to £500 – advertised for sale on the Trust Intranet

Over £500 – sealed bids

All items will be “sold as seen” and no liability will rest with the Trust once sold. This will be stated in the sale documentation and a receipt will be issued on payment. If necessary, advice will be sought from the Trust’s Solicitor.

(b) Unserviceable Equipment

Where a piece of equipment is considered by the appropriate Nominated Officer to be no longer serviceable it will be sold as scrap.

(c) Obsolete Equipment

Where the appropriate Nominated Officer considers a piece of equipment to be no longer fit for the purpose it was intended because it is out of date it will be sold or scrapped.

(d) Negligence or Abuse

Where the appropriate Nominated Officer has reason to believe that equipment has been destroyed through negligence or abuse this will be reported to the Director of Finance.

## **5. CONDEMNING AND DISPOSAL**

Requests for equipment to be condemned can be made by a Directorate Manager or a Head of Department. Condemnations can only be made by the Nominated Officer.

A condemnation form (appendix A) must be fully completed and signed by the Nominated Officer and a copy must be sent to the Trust’s Finance Department for action. All entries shall be confirmed by the counter-signature of a second employee authorised for the purpose by the Director of Finance (namely the Associate Director of Finance). A pro-forma is included at Appendix A of this procedure.

## **6. SCRAP EQUIPMENT**

Only condemned equipment may be scrapped. Such equipment will be removed according to the Nominated Officer’s requirements.

## **7. DONATION OF SCRAP OR SURPLUS EQUIPMENT**

Equipment formally declared as surplus or scrap by the Nominated Officer and awaiting disposal may be donated to charitable organisations on request with the approval of the Chief Executive. The Nominated Officer will advise the Chief Executive of any potential liability issues, in conjunction with the Director of Finance.

## **8. REMOVAL OF SCRAP EQUIPMENT FROM NHS PREMISES**

In order to ensure unwanted items of equipment do not cause unnecessary risk or waste of space, it is important to ensure that equipment disposal is done through the correct disposal stream as quickly as possible.

All disposals should be handled in accordance with current legislation and with environmental sensitivity. Equipment which has been condemned and scrapped should not be left in corridors or other storage areas.

For advice on the removal or disposal or storage please contact:-

Emma Bennett via the Estates and Facilities help desk on 0161 716 3030

## CONDEMNING AND DISPOSAL FORM

Serial Number/ Identification Number	Description of Equipment <i>(including location/dept)</i>	Reason for Disposal	Disposal Method & Date	* Value (£)

\* Value at date of Disposal- insert estimated value authorised by Nominated Officer

### CAPITAL ASSETS ONLY

** Asset Number from Asset Register	** Net Book Value (£)

\*\* Contact the Capital Finance Team for this information

Form Completed by (Directorate Manager/Head of Department): \_\_\_\_\_ Date: \_\_\_\_\_

Disposal Authorised by Nominated Officer: \_\_\_\_\_ Date: \_\_\_\_\_

### TO BE COMPLETED BY FINANCE STAFF

Sales Invoice Number: \_\_\_\_\_ Value: £ \_\_\_\_\_ Financial code: \_\_\_\_\_

Disposal proceeds recorded in the Financial Ledger by: \_\_\_\_\_ Date: \_\_\_\_\_

Asset removed from Asset Register by: *(capital assets only)* \_\_\_\_\_ Date: \_\_\_\_\_

Disposal entered on losses register by: \_\_\_\_\_ Date: \_\_\_\_\_