

### Part 4.6 Extract From Financial Procedure Rules

#### Disposals

- 12.25 The Section 151 Officer, in conjunction with the Assistant Director, Assets, Infrastructure & Regeneration, shall issue guidelines representing best practice for disposal of assets.
- 12.26 Where stocks, stores, furniture and fittings, vehicles, plant and equipment or other assets are certified by a Strategic Director to be excess to requirements or obsolete the Strategic Director may arrange for the disposal in the following way unless directed otherwise by the Council:
- (a) Where the estimated realisable value exceeds £5,000 by competitive tender or
  - (b) Where the estimated realisable value is less than £5,000 in the best possible market and at the best price reasonably obtainable subject to advice and consent of the Section 151 Officer and/or any other relevant Officers.
- 12.27 Strategic Directors will ensure income received for the disposal of an asset is properly banked and coded.

#### Strategic Acquisitions

- 12.28 The Strategic Acquisition Board (SAB) shall approve acquisitions up to a value of £25m. Before approving any acquisition, the SAB will require confirmation that the acquisition will not increase the Council's ongoing revenue costs, including the cost of borrowing and officer time.
- 12.29 The SAB shall be a subgroup of the Capital Strategy Board and will meet on a monthly basis, chaired by the Strategic Director for Resources, Housing and Regeneration. Standing members of the SAB will include:
- Leader of the Council
  - Commissioner for Neighbourhoods & Renewals
  - Strategic Director Regeneration, Housing & Resources
  - Assistant Director Assets, Infrastructure and Regeneration
  - Assistant Director Housing & Environmental Services
  - Directorate Finance Manager Customer & Community Services, Regeneration & Housing
  - Head of Asset Management
- 12.30 The appraisal and business case will assess how the strategic acquisition will be financed and will:
- Consider if the investment achieves corporate objectives.
  - Confirm that for the acquisition of land the price is reasonable (allowing for a special purchase consideration) and supported by an independent valuation.

- Confirm that for the acquisition of a standing investment the price is reasonable and supported by an independent valuation (reference will be made to previously identified added value opportunities).
- Confirm there is a market requirement.
- Where appropriate, there is secure rental income taking into account risks associated with the security of future payments, including (where appropriate) sensitivity analysis for void periods.
- Identify whole life costs (where appropriate).
- Identify the most appropriate funding source(s) and confirm availability.
- Clarify that the Council's Finance Section has assessed the business case and confirmed a suitable return on investment.

12.31 The financial appraisal will identify all costs and assumed income to assist informed decision making on whether the acquisition is suitable. In the case of revenue generating assets, this will be assessed by comparing the anticipated net income against the rate of return the Council could otherwise expect to achieve on its capital.

12.32 On reaching agreement as to the terms of acquisition, a final report will be prepared for approval by the Strategic Director for Resources, Housing and Regeneration in consultation with the Leader. In all instances the final report must be supported by advice from the Section 151 Officer.

12.33 Where acquisitions have occurred in the previous 6 months, a report prepared by the Head of Asset Management shall be brought to the Cabinet setting out the acquisitions and prices, at least twice per year.

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