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PROCEDURE FOR THE DISPOSAL OF OBSOLETE AND SURPLUS EQUIPMENT, VEHICLES FURNITURE AND CONSUMABLES

INTRODUCTION AND AIM

This procedure has been updated to ensure that surplus and obsolete equipment, vehicles, furniture and consumables are disposed in a cost effective manner that ensures the safety of staff, service users, donors, visitors and the new owner.

The procedure applies to all equipment (including IT hardware and software), vehicles, furniture and consumables that have become obsolete or surplus to requirements irrespective of whether purchased from capital or revenue funds, as Public Health Wales Standing Orders.

Obsolete items are items which can no longer be used and consequently, will need to be disposed of. Surplus items are items no longer required by a department but items may still be used elsewhere. Both surplus and obsolete items may still have a monetary value.

This procedure does not cover the disposal of land and buildings. All land and buildings disposal require Ministerial approval. The Director of Planning, Performance and Estates in liaison with NWSSP Specialist Estates Services is responsible for submitting land and buildings disposal business cases to Trust Board for approval and then ultimately to the Welsh Government for approval.

This procedure does not cover the disposal of service users property.

LINKED POLICIES, PROCEDURES AND WRITTEN CONTROL DOCUMENTS

All other organisational Health and Safety policies, procedures and written control documents.

- Public Health Wales Standing Orders and Standing Financial Instructions
- Public Health Wales Waste Management Policy and Procedures
- Health and Safety Policy
- Information Governance Policy
- Waste Electrical and Electronic Equipment (WEEE) Regulations 2013

SCOPE	
This procedure and any arrangements made under it applies to:	
<ul style="list-style-type: none"> • All persons employed or engaged by Public Health Wales, including part time workers, temporary and agency workers, those holding honorary contracts and those engaged by the NHS Wales Health Collaborative • All service users, visitors and volunteers. 	
Equality and Health Impact Assessment	This is covered by the overarching EHIA required under the Waste Management Policy.
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Accountable Executive Director/Director	Huw George, Deputy Chief Executive/ Executive Director for Finance and Operations
Authors	Tamira Rolls, Value and Impact Lead and Mark Parsons, Head of Estates and Health and Safety

Disclaimer

If the review date of this document has passed please ensure that the version you are using is the most up to date either by contacting the document author or the [Corporate Governance](#).

Summary of reviews/amendments				
Version number	Date of Review	Date of Approval	Date published	Summary of Amendments
1	May 2012	May 2009	May 2009	Original Velindre NHS Trust Policy (Black 124) transferred in 2009.
2	1 Dec 2017	May 2018	July 2018	Updated procedure.

1. INTRODUCTION

1.1 This procedure has been written to ensure that surplus and obsolete equipment, vehicles, furniture and consumables are disposed in a cost effective manner that ensures the safety of staff, service users, donors, visitors and the new owner.

1.2 Furthermore, there is a need to ensure:

- Items that are obsolete or surplus to requirements are identified as such.
- Documented evidence exists detailing which items have been disposed of, when and how.
- Disposal is made in accordance with applicable regulations and law prevailing at the time.
- When items are disposed of, the appropriate health and safety checks have been made.
- When items are disposed of, the cost and disruption of services is minimised.
- When items are sold, the best possible market price should be obtained to ensure income is maximised.

1.3 The overlying aims of the Procedure are:

- To provide clarity on the financial value of obsolete or surplus equipment and consumables.
- To create a procedure that reduces the environmental impact of its Carbon footprint, by encouraging the re-use of surplus equipment and consumables and adds value to the circular economy.

2. ROLES AND RESPONSIBILITIES

2.1 The Trust has assigned the following responsibilities to its employees

2.2 Divisional or Directorate Business Managers are responsible for declaring items as obsolete or surplus. They must arrange for the item to be clearly labelled as obsolete or surplus.

2.3 The Divisional or Directorate Business Manager should, where possible, arrange for the item to be withdrawn from use and stored in a secure area to ensure that it is not inadvertently put back into use or allowed

to deteriorate and lose its value.

- 2.4 The Divisional or Directorate Business Manager must check each item to ensure that it is safe at the time of sale or disposal. If any item is condemned (e.g. an official order has been issued stating that the equipment is unfit to be used), the item must be labelled to this effect and withdrawn from use immediately. If need be, parts should be removed to prevent any further use.
- 2.5 If anyone identifies slow moving and obsolete items that are subsequently being condemned or disposed of, they must report this to their Finance Manager. Any evidence of significant overstocking and of any negligence or malpractice must be reported to the Executive Director of Operations and Finance.
- 2.6 If appropriate, the Divisional or Directorate Business Manager is responsible for identifying and terminating any maintenance agreements in respect of items that have been declared obsolete or surplus and, where appropriate, negotiate credits with the maintenance supplier.
- 2.7 The Divisional or Directorate Business Manager should make an assessment as to the items condition and maintenance history. If possible, the business manager should ascertain the value of the item either via internal expert knowledge, use current second hand market price guidelines or if appropriate, obtain external professional advice.
- 2.8 Any item that contains storage media must be checked by the IT Department, to ensure that any confidential or sensitive data and licensed software has been removed prior to disposal.
- 2.9 All IT equipment (hardware and software including telephony and communications goods) must be given to the IT Department for disposal.
- 2.10 The Estates (Facilities) and Health and Safety team can provide advice and guidance on the removal and disposal of items taking into account:
 - Waste Electrical and Electronic Equipment (WEEE) Regulations <http://www.hse.gov.uk/waste/waste-electrical.htm>

- Trust Waste Management Policy and Procedures to ensure the disposal has the least impact possible on the environment through the “waste hierarchy”.

2.11 The Divisional or Directorate Business Manager, when evaluating and deciding upon the most appropriate method of disposal, must take into account the value of the item concerned and its likely sale proceeds versus the administrative cost of arranging the disposal e.g. what may be appropriate for a relatively high value piece of equipment would not necessarily be appropriate for an unwanted piece of low value furniture. Advice on the most appropriate method of disposal is also available from Finance Managers and the NWSSP Procurement Department.

3. PROCEDURE/PROCESS/PROTOCOL

3.1 INTERNAL TRANSFER OF SURPLUS EQUIPMENT, VEHICLES, FURNITURE AND CONSUMABLES WITHIN THE TRUST

3.1.1 In respect of all surplus items, the Divisional or Directorate Business Manager will first be responsible for ensuring that the item is not required internally with the Trust. Only those items that are considered to be safe in use can be transferred within the Trust for the purpose of re-use. If there is any doubt about the safety or suitability of an item for re-use, the item must be disposed of as scrap. Where possible, the Divisional or Directorate Business Manager should keep records or documented evidence that scrap items are disposed of as scrap.

3.1.2 The Divisional or Directorate Business Manager should advertise, via an email to all Trust Managers and Heads of Department, the availability of surplus and obsolete items within the Trust. The Divisional or Directorate Business Manager will consider all expressions of interest in the items and will arrange the internal transfer locally.

3.2. DISPOSAL OF FIXED ASSETS AND INDIVIDUAL ITEMS WITH A RESALE VALUE

3.2.1 In respect of disposing of fixed assets and individual items with a resale value, the Divisional or Directorate Business Manager must

complete and sign a "Disposal of Obsolete/Surplus Equipment, Vehicles, Furniture and Consumables" form (Appendix 1). In the event of the disposal of numerous pieces of similar equipment (e.g. a number of pieces of furniture), only one copy of the form should be completed with a schedule of the items to be disposed of attached. In the first instance, this should be sent to the Directorate Finance Business Partner / Finance Manager who will need to countersign the form.

3.2.2 The Finance Business Partner will be responsible for notifying the Trust's Capital Planning Finance Manager if the item being disposed of could be regarded as a fixed asset and pass on a copy of the disposal form. The Trust's Capital Planning Finance Manager will ascertain if the item is on the Trust's Fixed Asset Register and if there are any potential impairment issues when the item is disposed of and will advise the Divisional or Directorate Business Manager and Finance Manager accordingly. The Trust's Fixed Asset Register will be updated, by the Trust's Capital Planning Accountant, with all asset disposals.

3.2.3 The Divisional or Directorate Business Manager and Finance Manager should agree on the method of disposal with help from the NWSSP Procurement Department if required. As per schedule 2.1.1 of the Trust's Standing Orders, competitive tendering or quotation procedures is discretionary in respect of the disposal of:

- a) Any matter in respect of which a fair price can be obtained only by negotiation or sale by auction as determined (or pre-determined in a reserve) by the Chief Executive or their nominated officer;
- b) Obsolete or condemned articles and stores, which may be disposed of in accordance with applicable regulations and law at the prevailing time (e.g. WEEE) and the procedures of the Trust;
- c) Items to be disposed of with an estimated sale value of less than £1,000;
- d) Items arising from works of construction, demolition or site clearance, which should be dealt with in accordance with the

relevant contract.

In all other instances the best possible market price should be obtained.

3.2.4 Methods of disposal that should be considered are as follows:

- a) Bids may be invited from other public or third sector organisations.
- b) Sale by auction – Where either the items are of high monetary value or the items are deemed suitable (e.g. hospital clearance), the services of an auctioneer should be sought. In respect of vehicles, the services of a recognised car auction should be sought.
- c) Sale to scrap dealers – Items which are declared as condemned will be sold as scrap.

3.2.5 Where it is deemed appropriate, items may be offered to a charitable organisation free of charge.

3.2.6 Finance Business Partners will be responsible for the arrangements in respect of the collection of the income, where appropriate, arranging for payment to be requested by an invoice and a issuing a receipt on payment which authorises the collection and removal of the item from site.

3.2.7 The Finance Business Partner shall retain copies of all documentation relating to the disposal of items within their Department.

3.2.8 In all circumstances, the Trust's Terms and Conditions apply to items sold or donated and the recipient must sign the health and safety form and indemnity form. It should be noted however, that these disclaimers do not absolve the Trust of all legal liabilities and the Trust could still be left liable to prosecution. In general, the more comprehensive the information supplied to the new owner, the more the Trust's liability is reduced.

3.3 SELLING OF OBSOLETE AND SURPLUS EQUIPMENT, VEHICLES, FURNITURE AND CONSUMABLES

- 3.3.1 Where appropriate, potential buyers should be allowed an opportunity to view and discuss the item with the Departmental Manager who declared the item as surplus. All offers received must be made in writing and in accordance with the Trusts terms and conditions of sale (Appendix 2). All purchasers of surplus items must understand the need to have the items checked before use and thereafter maintain it appropriately to ensure its continued safe and effective use. The purchaser is also responsible for the cost of collection of the item.
- 3.3.2 The highest bid will be accepted subject to the purchaser's completion of health and safety at work undertaking (Appendix 3) and indemnity form (Appendix 4). Public Health Wales NHS Trust is indemnified by any purchaser against responsibility for any claim brought under the Health and Safety of Work Act 1974. Also, against personal injury or death caused to any person or damage caused to any property whilst using or in contact with the goods after it is sold.
- 3.3.3 VAT must be charged (and passed onto HM Revenue and Customs) on all sales of scrap, obsolete and surplus goods. Directorate Finance Managers will be responsible for ensuring this is actioned

3.4 PROCEDURE CONFORMANCE / NON COMPLIANCE

- 3.4.1 If any Trust employee fails to comply with this policy, the matter may be dealt with in accordance with the Trusts Disciplinary Policy. The action taken will depend on the individual circumstances and will be in accordance with the appropriate disciplinary procedures. Under some circumstances failure to follow this policy could be considered to be gross misconduct.

3.5 DISTRIBUTION

- 3.5.1 The procedure will be available via the Trust Intranet Site and from the Finance department. Where staff do not have access to the

intranet their line manager must ensure that they have access to a copy of this policy.

4. TRAINING REQUIREMENTS

- 4.1 Whilst there are no formal training programmes in place to ensure implementation of this procedure, each Executive Director, Divisional Director, Divisional or Directorate Business Manager and Head of Departments must ensure that managers and all staff are made aware of the procedure provisions and that they are adhered to at all times.

5. MONITORING COMPLIANCE

- 5.1 This procedure will be implemented and monitored by the Finance Department.
- 5.2 The Trust will be audited against the delivery of the procedure by Internal and External Audit.

Appendix 1

Public Health Wales NHS TRUST - DECLARATION FORM

DISPOSAL OF OBSOLETE/SURPLUS FURNITURE, EQUIPMENT, VEHICLES & CONSUMABLES

Directorate Division and Department:	
Description of Item:	
Serial Number:	
Condition and Age of Item:	
Location of Item:	
Original or Estimated Purchase Price:	
Current Estimated Value:	
Is this Item on the Trust's Fixed Asset Register (RAM):	YES / NO
If Yes, please give RAM reference:	
Is the Item to be Scrapped/Transferred/Sold:	Scrapped / Transferred / Sold
Proposed Disposal Method:	

Details if Item Already Disposed of:	
Bids/Offers Received:	

Name and Job Title:	
Contact Details:	
Signature:	
Date:	

The completed form and any attachments should be sent to your Finance Business Partner.

Finance Manager:	
Date:	

Appendix 2

Public Health Wales NHS TRUST

TERMS AND CONDITIONS OF SALE

1. Inspection

The goods shall be open to inspection before tendering and the Purchaser shall be deemed to have inspected them. If purchased within previous inspection the Purchaser shall do so at his own risk.

2. Condition of Goods

The goods are sold as they lie and, after the acceptance of a tender/quotation for any or all of them, no question concerning their condition or the purchase price will be entertained. For any goods or article sold and intended to be re-used, the Purchaser shall be deemed to have satisfied himself as to the condition thereof. For any equipment to which the Electrical Equipment (Safety) Regulations 1975 (as amended) apply, subject to any information giving by markings on the equipment itself or in a notice accompanying the equipment, the equipment sold on the basis that it complies with the provision of the Regulations. In the case of vehicles, these are offered for sale without guarantee as to their condition and on the understanding that a) the Purchaser will either tow or transport them away b) if they are to be used on the road the purchase will ensure that all markings indicating previous ownership are removed from the vehicle prior to the vehicle being taken from the organisation's premises.

3. Risk

The goods shall be, and remain in every aspect at the risk of the Purchaser from the expiration of the period of ten days beginning with the day of acceptance of the tender, and the Trust shall not be under any liability for the safe custody of preservation of the goods thereafter. PROVIDE THAT, if the purchaser removes the goods before the expiration of such period, then, as from the time of such removal, the risk in such goods so removed shall pass to the Purchaser and the Trust shall be relieved from all further liability in respect of these goods.

4. Payment

Payment in full by electronic transfer, banker's draft or guaranteed cheque shall be made before collection or within ten days of acceptance of the tender, whichever is the sooner, unless other special arrangements are agreed by the Trust. Cheques not guaranteed may be required to be cleared before collection of goods is permitted. Cheques should be made payable to the order of Public Health NHS Trust. The issue of a receipt for the clearance of the purchaser's cheque shall be satisfactory evidence of the transfer of the title of the goods to the purchase. Where tenders are submitted for goods by weight, payment should be made after the goods have been check-weighed over a public weighbridge. The Trust reserves the right to send an officer to accompany the vehicle to the weighbridge.

5. Removal

The whole of the goods must be removed by, and at the expense of the purchaser, within seven days from the date of payment, at such time as may be mutually agreed between the Purchaser and the Trust officers. The site is to be left in a clean and tidy condition. Containers, where required, must be provided by the Purchaser.

6. Failure to remove the goods

- (a) If the purchase, having paid the full amount of the purchase price, fails to remove all the goods within seven days of the date of the receipt, the Trust may, on giving seven days' notice to the purchaser, make a charge for removing and warehousing of the goods, all of which charges shall be paid before the goods, or any part thereof, are removed by the purchaser and the Trust may re-sell, or attempt to re-sell, the goods, and retain out of the proceeds the cost of such re-sale, and any attempted re-sale, and any charges for removal and warehousing and all other expenses incurred in connection with the goods, any balance remaining of the monies received in respect of such re-sale shall, after payment of such costs, charges and expenses, be paid or allowed to the original purchaser.

- (b) If, on any such re-sale, the price realised is insufficient to pay such costs, charges and expenses, the original purchaser shall pay the deficiency.

7. Warranty

No warranty is given or implied, except as required by law.

8. Accidents and Damage

The Purchaser shall pay the Trust the cost of making good any loss or damage suffered by the Trust arising out of the negligence of the purchaser, his agents and employees, arising from the sale of goods, and the purchaser shall indemnify the Trust in respect of all claims, demands, proceedings and costs arising from the death of, injury to, or damage suffered by, any third party, due to negligence of the purchaser in the course of, or arising out of, the removal of goods.

9. Health and Safety at Work Act 1974

The attention of the tender is directed to the requirements of Section 6 of the Health and Safety at Work Act 1974, or any statutory amendment or re-enactment thereof, and the duties it imposes in relation to the sale of goods for use at work. Any tenderer may be required to sign an undertaking to this effect.

Appendix 3

Public Health Wales NHS TRUST

HEALTH AND SAFETY AT WORK UNDERTAKING

The attention of purchasers is directed to the requirements of Section 6 of the Health and Safety at Work etc Act 1974. Any purchaser is accordingly required to sign the undertaking below:

UNDERTAKING

The purchaser hereby undertakes to take such steps as are necessary to ensure, so far as is reasonable practicable, that such goods or articles purchases as a result of this sale for use at work will be safe and without risks to health when properly used.

SIGNED: _____

ON BEHALF OF: _____

DATE: _____

Appendix 4

Public Health Wales NHS TRUST

SALE OF: _____

INDEMNITY CLAUSE

Further to the purchase by _____ of the above equipment. I, the undersigned, am fully aware of the condition of such equipment and as such, will absolve, on behalf of the purchasing body, the above organisation, from any responsibility whatsoever concerning the equipment.

In particular, this indemnity applies to personal injury or death caused to any person whilst using or in contact with the equipment however caused. Any damages to property caused by or through the equipment are also included in the terms of this indemnity as is any claim or action brought about under the Health and Safety at Work Act 1974 or relevant legislation.

SIGNED: _____

FOR AND ON BEHALF OF: _____

DATE: _____