

Board

16 December 2014
Interim Director of Finance

Paper No. 14/65

Donation of Surplus Equipment

Introduction

This paper considers whether the Board should consider requests to donate surplus equipment to charitable organisations.

Recommendations

1. Members are asked to consider whether surplus assets should be made available to charitable organisations which are registered with the Office of the Scottish Charity Regulator (OSCR), or an equivalent organisation; and, if so,
2. Members are asked to note the proposed governance process.

James Hobson
Interim Director of Finance

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Introduction

When services migrate to the new South Glasgow Hospitals in 2015 existing equipment will be transferred where appropriate. Equipment not transferring will be redeployed to alternative sites or services wherever possible. Any remaining equipment may be declared surplus and disposed of in accordance with NHS Circular MEL (1996)7. Surplus equipment may be sold where it fulfils the following criteria:

- The equipment should be in good repair, or at most require a readily available replacement part or a minor repair;
- Fixed equipment should have a sufficient estimated life to warrant the cost of dismantling, transfer and installation at a new location. Each case should be considered on its merits and in conjunction with the potential recipient;
- There should be a reasonable expectation that replacement parts will continue to be available for the estimated life of the equipment;
- The equipment should comply with statutory or other recognised safety requirements and the appropriate British or other applicable standards;
- In the case of laboratory equipment, results obtained when the equipment was last in use should have been of an acceptable standard and reliability.

This paper considers whether the Board should also consider requests to donate surplus equipment to charitable organisations.

The Board has received a number of requests from charitable organisations to donate NHS assets which have been identified as surplus to requirements. The Board has previously received a formal submission from the Malawi initiative, has considered this and supported it as an agreed strategy. This allowed the Malawi initiative first call on such equipment and for the Board to sanction any loss of potential income as a charitable donation. Subsequent requests have been received to donate equipment to Kenya, Syria and Zambia. Members are asked to consider whether they wish to extend the precedent set by the donation of surplus equipment to the Malawi initiative to other charitable organisations.

Financial Governance Arrangements

The disposal of surplus assets is governed by the Board's Standing Financial Instructions. These stipulate that, where an asset has been declared surplus to requirements, it must be disposed of for the

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maximum possible disposal proceeds or alternatively the cost of disposal should be minimised. The Board's surplus equipment is currently auctioned by the Hilditch Group Ltd. In 2013/14 the total revenue generated at auction was £36,684. It should be noted that with the opening of the New South Glasgow Hospital in 2015 there is likely to be significantly more equipment declared surplus to requirements.

In order to maintain appropriate governance arrangements over the disposal of surplus assets to charitable organisations it is proposed to introduce the following process. This will not apply to surplus IT equipment for reasons of information governance. Any other device or equipment that has data storage or information processing capability must have all data removed prior to disposal. Data removal will be recorded by Medical Physics in the equipment record.

1. The Malawi Initiative will have first call on surplus equipment in accordance with the Boards agreed strategy.
2. Surplus assets will only be donated to charitable organisations which are registered with the Office of the Scottish Charity Regulator (OSCR), or an equivalent organisation, unless a request from an unregistered organisation is approved by the Chief Executive (or their nominated deputy) and the Director of Finance (or their nominated deputy). Once a request from an unregistered organisation has been approved any subsequent requests from that organisation may be considered without further recourse to the Chief Executive and the Director of Finance.
3. Surplus assets will be identified by Medical Physics and Procurement in accordance with current practice. Procurement will forward details of non medical surplus equipment to Medical Physics who will co-ordinate the process.
4. All requests for donated equipment will be forwarded to the Medical Equipment Management Head of Service. A list of surplus assets will then be circulated to the registered charities which have approached the Board. Where a charity wishes to request an item of equipment on the list they will complete the request form for donation of surplus assets and submit it to the Medical Equipment Management Head of Service. A charitable organisation must demonstrate that it has the technical ability and financial resources to fully utilise the asset prior to being offered surplus equipment.
5. Where more than one organisation requests the same equipment the Medical Equipment Management Head of Service will determine which organisation is best placed to utilise the equipment based on the organisation's technical ability and available resources.
6. The Medical Equipment Management Head of Service will notify the organisations whether their bid has been successful or not.
7. Where equipment is donated to the Malawi initiative a disclaimer and Transfer of Ownership form will be signed at the earliest opportunity and returned to Medical Physics. Other charitable organisations must sign a disclaimer and Transfer of Ownership Form prior to receipt of any asset. The disclaimer currently used has been approved by CLO. These will be retained by Medical Physics.
8. Where equipment is donated to the Malawi initiative shipment will be arranged with the Lord Provost's office of Glasgow City Council which sends regular shipments to Malawi. Other charitable organisation will be responsible for collection of the equipment.
9. A summary of any assets donated to charitable organisations will be provided to the Capital Planning and Property Committee.
10. Where the disposal proceeds of the asset are likely to be in excess of £5,000 or the net book value is £5,000 or more the Chief Executive, or their nominated deputy and the Director of Finance, or their nominated deputy, will approve the donation of the asset. The Board has

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already sanctioned the loss of income for equipment donated to the Malawi initiative so no further approval is required.

James Hobson
Interim Director of Finance