

All Local Government Change Managers

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Circular LG 01 / 10

Your reference:
Our reference:

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TRANSITION COMMITTEES: ASSETS AND LIABILITIES - DATA COLLECTION TEMPLATE

1. At the time of the restructuring of local government in May 2011 there will be a significant number of assets and liabilities which will transfer from existing to new councils.
2. It was considered by the relevant groups within the reform structures that in order to ensure consistency across council groups, the Finance and Estates Working Group (FEWG) should develop a standard template which could be used by Transition Committees to assist with data collection and collation of information on assets and liabilities transferring from central government to local government and also between district councils.
3. A data collection exercise would assist Transition Committees in ensuring that details on assets and liabilities are collated in a consistent manner across council group structures before transfer to 11 new councils in May 2011. The data might also assist the new council groups with asset / financial planning and, as part of the winding up process, build a clearer picture of future land and property requirements of councils post local government reform, as well as the extent of any liabilities.
4. The purpose of this circular is to provide Transition Committees with a series of templates (attached) that they might wish to distribute to each of the councils within their council grouping for completion. Although the templates reflect a best practice approach, their use is not prescriptive and the Department is aware that some Transition Committees may have already begun to collect this information in another format. However, it would be important for data to be captured in the following 5 main groups:

- i) Transfer of assets and liabilities generally;
 - ii) Existing / proposed capital schemes and assets under construction / procurement;
 - iii) Existing / proposed master plans / development / regeneration schemes
 - iv) Non property assets; and
 - v) Surplus assets
5. You can also find electronic copies of these templates at [http://www.doeni.gov.uk/index/local_government/local_government_funding/circulars_2003 - present day/2010_circulars.htm](http://www.doeni.gov.uk/index/local_government/local_government_funding/circulars_2003_-_present_day/2010_circulars.htm)
6. The same series of templates will also be used to collate similar data from transferring Departments and once the information becomes available, will be copied to Transition Committees for information.
7. A guide for using the templates is attached as Annex 1 but should you need further details or clarification on any of the information in this circular, you should contact Lynne McCann or Janet Cooper, Local Government Policy Division at lynne.mccann@doeni.gov.uk or janet.cooper@doeni.gov.uk.

Yours faithfully



BRENDA MOONEY
STRUCTURAL REFORM TEAM

cc: Clerk and Chief Executive of each district council
All Finance Managers of district councils
All Estates Managers of district councils
All Chairs of Transition Committees
Mr J Buchanan, Chief Local Government Auditor

DATA COLLECTION
Assets & Liabilities – A guide for using templates

The aim of this data collection exercise is to assist local government collect information in relation to the assets and liabilities that are transferring between councils, as a result of the restructuring of local government in May 2011.

It is essential that there is clarity as to which assets and liabilities are to transfer and that councils have a full picture of the assets of each of the councils within their specific group as well as the extent of any liabilities.

In order to assist each council in the data collection exercise, a standard pro forma, (consisting of 5 separate templates) has been developed along with corresponding guidance notes which are set out overleaf.

Template 1

Transfer of Assets (& Liabilities) between Local Government

1) Asset:

- Description and location. Location Map to be provided.
- Include where applicable a unique asset ID number (matching to fixed asset system).

2) Floor / Site area:

- Drawings, floor plans or scaled site plans to be provided if available.
- Consistency in presentation of areas:
 - Office accommodation: Net internal areas
 - Industrial/Depots etc: Gross internal areas
 - Land: acres or hectares
 - Number of car parking spaces
 - Identify if it forms part of a larger demise or multi occupancy asset.

3) Title Details: Specify if Freehold or Leasehold and Acquisition details. Specify if Registered in Lands Registered or if Unregistered. If Registered provide Folio No(s). Copy lease to be provided or details of:

- Parties to lease
- Lease term
- Annual rent and service charge amounts
- Rent review provisions
- Repairing and insurance obligations
- User clauses
- Restrictive covenants
- Details of any compensation paid/payable.

4) Joint Ownership/ Joint Management of Assets/ Projects

- Include details where joint ownership with other councils or with other government departments or external bodies.
- Any Service Level or Management Agreements

5) Value: Where known, details to be provided as follows:

- Most recent Net Book Value
- Most recent Open Market Capital Value Note: this information may already be included in the Assets Valuations (as Alternative Use Value) prepared by LPS.

6) Outstanding Loans & Grant Aid details /conditions

- Details of outstanding amounts and conditions or restrictions.

7) Annual Expenditure /Running Costs; Fees, Charges & Receipts :

- Rental and service charges
- Rates
- Services/Utilities
- Insurance
- Cleaning
- Maintenance costs
- Grant aid (for example towards running costs)
- Any fees, charges & receipts payable or receivable

8) Building Condition/Site Surveys

Include details (where available) of:

- Condition surveys
- Legal compliance: DDA; energy efficiency; legionella or asbestos surveys etc
- Site contamination reports; ground condition surveys; environmental liabilities etc.

9) Planning:

- Planning applications underway or existing planning restrictions/conditions/breaches.
- Masterplans or development schemes underway or proposed.

10) Ongoing or potential litigation and/or contingent liabilities inc:

- Ongoing legal cases
- Long term loans
- Public liability/accident claims
- Adverse possession claims
- Judicial review
- Compensation claims
- Potential penalties associated with non compliance /targets etc
- Contractual/lease commitments
- Grant offers / conditions
- Planned/ ongoing Capital Scheme

Template 2

Existing/Proposed Capital Schemes & Assets under construction /procurement

1) Scheme/Project details including details of:

- Description and project proposal form (if available)
- Location map
- Proposed use/function and specify if future use is solely for transferring function or Council area or if also to be used for non transferring function or different Council area.

2) Economic Appraisal:

- Status undertaken or in progress
- Copy to be included.

3) Approvals:

- Details of committee or departmental approvals in place/pending.
- Project inception date.

4) Financial and Funding Details:

- Total capital cost
- Ongoing revenue and expenditure and whole of life costs (where available).
- Funding source and amount.
- Funding status (committed/applied for/notional).
- Funding/Loan/ Grant conditions and restrictions.
- Expenditure profile (by financial year).

5) Current Status:

- Contractual/legal and financial position.
- RIBA Work Stage.

6) Planning and Building Control Approvals/ Conditions/Restrictions

- Current approvals including any conditions
- Applications underway.
- Outstanding matters or consents.

7) Acquisition/Disposal Proposals

- Any proposed disposals or future planned acquisitions required in connection with scheme/project.

Template 3

Existing /Proposed Masterplans/Development/Regeneration Schemes:

1) Description:

- Scheme overview/context
- Location plan with area/assets outlined
- Details of partnership and joint working arrangements.

2) Assets:

- Ownership and title details.
- Acquisition details, including details of any compensation paid/payable.
- Site/floor area.
- Existing tenancies or agreements.

3) Planning and Approvals:

- Current approvals including any conditions
- Relevant master-plans
- Applications underway
- Outstanding matters and consents

4) Financial/Funding Details:

- Cost implications
- Funding sources and amounts
- Funding status (committed/applied for/notional)
- Ongoing revenue and expenditure implications
- Funding/Loan/Grant conditions and restrictions

5) Current Status:

- Contractual, legal and financial position
- Approvals obtained/required
- Work progress stage.

6) Acquisition/Disposal Proposals:

- Proposed or committed disposals of future planned acquisitions.

Template 4

Non Property Assets:

- Includes fleet / vehicles; equipment; IT; furniture; plant & machinery, street furniture etc
- Include unique asset reference number (where applicable)
- Indicate if used exclusively for the respective Council only or if jointly used or for a different use /function
- Include details of cost and anticipated life (if known)
- Include details of any 3rd party interests or loans /finance for e.g. longer term maintenance agreements, future expenditure commitments etc

Template 5

Surplus Assets

- Description / location
- Previous use
- Date declared surplus including committee / departmental approval
- Future proposals