

**NHS MANAGEMENT BOARD**

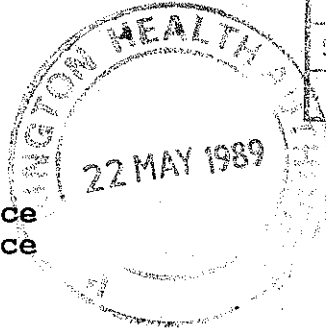
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From the Director of Financial Management

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File Ref		

To: Regional General Managers
 District General Managers
 General Managers of the
 Special Health Authorities

cc: Regional Directors of Finance
 District Directors of Finance
 Directors of Finance of
 Special Health Authorities



12 May 1989

Dear Colleague

CAPITAL CHARGES - ASSET REGISTERS

I wrote to Directors of Finance on 10 March (EL(89)MB/60) enclosing a report on three pilot exercises in Calderdale, Peterborough and Chester. I also attached a note on the WIMS software which is available for the compilation of asset registers.

The timetable for the establishment of asset registers, which is a pre-requisite to the introduction of capital charges, is that they should be in place by 31 March 1990. Many authorities have made substantial progress as a result of estate management requirements but some authorities have made little or no progress and time is at a premium. It is envisaged that registers will be used for various purposes including the effective management of assets but priority must be given to having a register in each authority for capital charging purposes.

Clear responsibility needs to be identified for the completion of asset registers and then valuation of the assets for the purposes of the capital charges system. The capital charges system will be subject to audit as part of the annual accounts and hence your Director of Finance, if not in complete charge of this area, should be accepted as having the principal interest in the completion of the tasks involved.

E.R.

The asset register will record land and buildings. These will be valued by District Valuers later this year. District Valuers will wish to consult authorities about the ages of individual buildings and factors affecting their obsolescence. Fixed services and plant will be valued by authorities but there should be consultation with the District Valuer so that these assets are not included in valuations of buildings and double counted. Data relating to the age of building and fixed plant should be collected as soon as possible and in any event should be available for District Valuers by 1 September.

Asset registers for other equipment e.g. medical and office equipment, should be commenced as soon as possible. Valuations will be in accordance with the guidelines in Working Paper No. 5. All assets which are not within the capital charges system (ie gifts, loans or leased assets) should be recorded on asset registers even if they will not be subject to capital charges.

I should be grateful if you would bring this letter to the attention of all managers (for example, unit, finance, estate and procurement) who will be involved with capital charges. We shall publish further guidance as the work of the Capital Charges Steering Group proceeds.

*Yours sincerely,
Steve Meele*

S V MASTERS