

## Appendix A – Stock Management Policy – South Kesteven District Council

### 1. Policy Statement

This policy sets out the principles and procedures for the effective management of stock held by the Council. For the purposes of this policy stock is defined as fuel, materials, and equipment held by the Council. As a public body, the Council must ensure that all stock is procured, stored, issued, and monitored in a manner that is transparent, auditable and compliant with statutory and regulatory requirements.

The Council is committed to safeguarding public assets, preventing waste, and ensuring that operational services have the resources they need to deliver high-quality services to residents.

### 2. Purpose

The purpose of this Policy is to:

- Ensure stock is available to support service delivery (waste services, grounds maintenance, housing repairs, and ICT equipment).
- Maintain strong financial and audit controls over all stock items.
- Reduce waste, loss, theft, and unnecessary disposal.
- Support compliance with the Council's Contract Procedure Rules and Financial Regulations.
- Provide clear responsibilities and procedures for staff handling stock.
- Ensure accurate, timely stock records for operational and financial reporting.

### 3. Scope

This policy applies to all Council services that purchase, store, issue, or dispose of stock, including but not limited to:

- Fuel (vehicle and equipment)
- Vehicle Parts replacements
- Grounds Maintenance equipment
- Housing and property maintenance materials
- Operational equipment (PPE, tools, consumables).
- ICT equipment (hardware)

### 4. Definitions

- **Stock:** Any item purchased, stored, and used to support Council operations.
- **Fuel Stock:** Any fuel held in tanks, bowsers, or containers for fleet or equipment use.
- **Equipment:** Tools, plant, PPE, and operational assets not individually asset-registered.
- **Minimum Stock Level:** The lowest acceptable quantity before replenishment is required.

- **Reorder Level:** The point at which a new order must be placed.
- **Stocktake:** A physical count of stock to verify system records.
- **FIFO:** First In, First Out stock rotation method.

## **5. Roles and Responsibilities**

### **5.1 Directors, Assistant Directors and Heads of Service**

- Ensure compliance with this policy across their service areas.
- Provide resources for secure storage, systems, and staff training.
- Review stock performance and audit findings.

### **5.2 Procurement & Commissioning**

- Ensure all stock purchases comply with Contract Procedure Rules and Financial Regulations.
- Maintain approved supplier lists and framework agreements.

### **5.3 Appointed Stock Controller (per Service)**

- Maintain accurate stock records and oversee stock systems.
- Set and review stock levels for all items.
- Ensure safe, secure, and compliant storage.
- Oversee stocktakes and investigate any discrepancies.

### **5.4 Operational Managers/Supervisors**

- Authorise stock requisitions and usage.
- Ensure staff follow correct issuing and recording procedures.
- Report losses, damage, or irregularities.

### **5.5 Finance**

- Reconcile stock values with financial systems in accordance with materiality thresholds.
- Review stock adjustments and investigate anomalies.
- Ensure compliance with audit requirements.

### **5.6 All Staff Handling Stock**

- Follow procedures for receiving, storing, issuing, and recording stock.
- Report any concerns regarding stock security or accuracy.

## **6. Procurement of Stock**

- All stock purchases must comply with the Council's Contract Procedure Rules.
- Only authorised officers may place orders.
- Reorder levels must be monitored to avoid service disruption.
- Emergency purchases require approval from a designated manager.
- Fuel procurement must follow environmental and safety regulations and only purchased from the approved supplier.

## **7. Receiving and Inspection**

Upon delivery:

- Quantities must be checked against purchase orders.
- Damaged or incorrect items must be rejected or reported immediately.
- All accepted stock must be recorded in the stock management system before use.
- Hazardous materials must be handled in accordance with COSHH and safety procedures.

## **8. Storage and Handling**

### **8.1 General Stock**

- Must be stored in secure, designated areas with restricted access.
- FIFO (first in, first out) must be used unless otherwise required.
- Storage areas must be kept clean, organised, and safe.

### **8.2 Fuel Storage**

- Fuel tanks and bowsers must comply with environmental and fire regulations.
- Access must be restricted to authorised staff.
- Fuel pumps must be calibrated and monitored for irregularities.
- Fuel logs must be maintained for all withdrawals.

### **8.3 Equipment and Tools**

- High-value or portable equipment must be stored in locked areas.
- Issue of tools and plant must be logged to named individuals.
- Damaged equipment must be removed from use and reported.

## **9. Issuing Stock**

- Stock may only be issued upon receipt of an authorised request or job ticket.
- All issues must be recorded immediately.
- Fuel withdrawals must record vehicle, mileage, driver, and quantity.
- Restricted items (eg chemicals, PPE, power tools) require supervisor approval.

## 10. Stock Levels and Replenishment

- Minimum and maximum stock levels must be set for all items. These levels are set at the discretion of the service area based on consumption and usage.
- High-risk items require tighter controls.
- Slow-moving or obsolete items must be flagged for review.

## 11. Stocktaking and Audit

- Full stocktakes must be conducted at least annually.
- Cyclical counts must be carried out monthly or quarterly depending on risk.
- Fuel tanks must be reconciled weekly or via automated telemetry.
- Discrepancies must be investigated and reported to Finance.
- Internal Audit may conduct unannounced inspections.

## 12. Damaged, Obsolete, or Surplus Stock

- Damaged or expired items must be quarantined and assessed.
- Obsolete stock must be reviewed for disposal, recycling, or return to supplier.
- Disposal must follow environmental regulations and be authorised by a manager.
- All disposals must be documented for audit purposes.

## 13. Security and Loss Prevention

- Access to stock areas must be restricted.
- CCTV may be used where appropriate.
- Fuel stores must be locked and monitored.
- Any suspected theft, fraud, or misuse must be reported immediately and investigated.

## 14. Record Keeping

- All stock movements must be recorded in the approved stock management system.
- Fuel logs must be retained for a minimum of **six years**.
- Records must be accurate, complete, and auditable.

## 15. Performance Monitoring

KPIs may include:

- Stock accuracy percentage
- Fuel variance levels
- Value of obsolete stock
- Stock turnover rate
- Number of stockouts

## 16. Policy Review

This policy will be reviewed every **three years**, or sooner if required by changes in legislation, audit recommendations, or operational needs.

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