



Registration of Assets Policy

Author of Policy	
Date Effective From	
Review Date	
Version	
Signed By	

Background

Local Councils must maintain an Asset Register to ensure fixed assets are appropriately safeguarded. This includes items of a capital nature where values tend to be high, and which have a useful life of more than one-year (Governance and Accountability for Local Councils: A Practitioner's Guide (England) 2020 – Section 5).

The Council's Financial Regulations, section 14 refers to the custody of Assets, Properties and Estates.

Scope of Asset Register

To ensure transparency and reasonableness, the following items are included in the Council's Asset Register, whether purchased, gifted, or otherwise acquired, together with their holding location:

- land and buildings held freehold or on long-term lease in the name of the Council
- community assets
- vehicles, plant, and machinery
- assets considered to be portable, attractive or of community significance
- other assets estimated or known to have a minimum purchase or resale value of £100
- assets held on trust.

The values indicated in the Asset Register will inform the 'total fixed assets' section of the Annual Return except for assets held on trust.

The following items fall outside the definition for inclusion, and are therefore excluded from the Council's Asset Register:

- land and buildings held on short term lease or rented
- land and buildings maintained or serviced, but not owned by the Council
- assets rented by or loaned to the Council
- stock items intended for resale
- stationery and other consumable items
- boundaries of land owned (e.g. fences, hedges, and gates)
- floor or land surfaces and drainage
- plants and trees
- assets with a purchase or resale value of less than £100 (other than items listed as for inclusion in the asset register).

There is a separate section of the asset register that will denote disposals.

Valuation of Assets

Once recorded on the Asset Register, the value of assets must not change from year to year until disposal. Concepts of depreciation and impairment adjustments are not appropriate for local councils (Governance and Accountability for Local Councils: A Practitioner's Guide 2020 – Section 5).

Assets must be valued based on available information ideally the purchase price (considering VAT). When it is not possible to trace the purchase price of the asset the insurance valuation should be applied. As a last resort, a nominal value of £1 may be applied. This should also be used for assets gifted to the Council.

There is no guidance where land or buildings have been subject to substantial renovation and improvement to such an extent that the new market value bears no relation to the original purchase cost. To avoid renovation and improvement work being separately recorded on the asset register and in these exceptional circumstances only, a market value supplied by a qualified surveyor may be entered.

Updating the Asset Register

The starting point is the Asset Register that has been agreed for the end of the previous financial year. The financial ledger should be reviewed for all purchases made during the year. A discussion should be held to identify any assets that have been gifted to the Council.

Any new assets which fall in the categories stated previously in this policy should be added to the Asset Register, with their values recorded.

The financial accounts should also be reviewed for all asset sales made during the year. A discussion should be held to identify any assets that have been lost, disposed of, or gifted by the Council- and should be removed.

The Asset Register should record any assets loaned by the Council, including the person or organisation borrowing the asset, its location, and the date when the loan period ends.

A 'stock take' of Asset Register items should occur to ensure that all asset register items can be physically verified. Any assets which cannot be located should be removed from the Asset Register and recorded in the schedule of disposals.

[END]