



LOCAL COUNCIL
AWARD SCHEME
QUALITY GOLD

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Asset Register Policy

1. Purpose and Scope

The purpose of this policy is to explain how the fixed assets of Moulton Parish Council will be recorded, managed, maintained, disposed of, and reported on.

This formal strategic level policy provides a statement of intent and a corporate framework designed to safeguard and manage valuable fixed assets owned by Moulton Parish Council.

This is a mandatory document and does not allow for variations of practice. It is relevant to all members of Moulton Parish Council and staff employed by the council. Non-compliance with this procedure may result in formal complaints being registered and/or disciplinary action/or criminal charges being raised.

A record of fixed assets and their values is required to:

- Provide information to Councillors as to the assets under their control.
- Track and monitor the assets.
- Provide information for decision making purposes, e.g., maintenance, disposal.
- Provide information for external reporting, insurance, and audit purposes.

2. Legal Responsibility & Policy Support

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.

Moulton Parish Council recognises its duty towards the electorate to ensure that the investment in assets is properly managed, controlled and recorded including its legal obligation to appropriate governance and accountability under the terms of:

[Transparency code for smaller authorities - GOV.UK \(www.gov.uk\)](http://www.gov.uk)
[NALC Governance and Accountability practitioners-guide-2022](#)
[Local Audit and Accountability Act 2014 \(legislation.gov.uk\)](http://legislation.gov.uk)
[Local Government Act 1894 \(legislation.gov.uk\)](http://legislation.gov.uk)

3. Asset Register Inclusion

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.

- other assets.
- long term investments, shares and loans made by the Council.

The values indicated in the Asset Register will inform the 'total fixed assets' section of the Annual Return.

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.
- repairs.
- cash, short term investments and other current assets.
- intangible assets (e.g., trademarks, internet domain names, contingent assets, broadcast rights).
- negative' assets (e.g., provisions, borrowings, creditors, and contingent liabilities).

A separate section of the Asset Register will contain a schedule of disposals. All asset disposals must comply with the Asset Disposal Procedure referenced within this policy.

4. Valuation of Assets

Once recorded on the Asset Register, the value of assets must not change from year to year until disposal.

5.64. For authorities covered by this guide, the most appropriate and commonly used method of fixed asset valuation for first registration on the asset register is at acquisition cost. This means that the recorded value of the asset will not change from year to year, unless it is materially enhanced.

[\(NALC Governance and Accountability practitioners-guide-2022\)](#).

Assets must be valued by one of the following means based on available information:

- ideally, apply the purchase price (net of VAT if VAT has been reclaimed);
- otherwise, apply the purchase price (gross of VAT if VAT has not been reclaimed or where the VAT status of the purchase is unclear).

Where 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.

5. Procedure for Updating the Asset Register

Any new assets which fall in the categories stated in 3 above should be added to the Asset Register.

It is the council's responsibility to ensure that 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. The disposal procedure must be carried out in accordance with the procedure stipulated in section 7.

The Asset Register, schedule of disposals and this policy will be reviewed annually and approved by the council at the same time as the approval of the Annual Return.

6. The Asset Register and Insurance

For insurance purposes, the Asset Register includes a column to record the replacement value of each asset.

The Asset Register will be used to inform the insurers of Council assets. For the purposes of insurance, the value to be used is the replacement value of items and not the purchase price as per the Asset Register. The Council should ensure land and buildings are valued accurately for insurance purposes. Buildings should therefore be valued every five years to ensure the appropriate insurance is held.

7. Asset Disposal Procedure

In accordance with Financial Regulation 16, the disposal of any asset exceeding the value of £250.00 must be authorised by the Executive Officer who is required to refer the matter to the Finance Committee for approval. Where any asset still has value in the Asset Register in excess of £500.00 then the decision in regard to its disposal must be referred to Full Council following a recommendation from the Finance Committee.

All proceeds from such disposal are the property of the Parish Council and must be accounted for and reported to the Finance Committee. Asset disposal decisions, and the reasons for taking them, should be documented. Not only does this assist in audit process and other examinations, but it also highlights successes and problems for future reference.

8. Value for Money

The best value outcome to the Council must be a major consideration when disposing of assets. Goods should only be disposed of after checks have been made to ensure that the item could not be utilised by other areas of the Council. Disposal should be based on a fair market value for each item. The price established should be based on:

- current market value.
- condition of the item.
- age of the item.
- an assessment of the usefulness of the item.

9. Reasons for disposal

Items can be available for disposal because they are:

- required to be disposed of under a particular policy e.g., uninstalled play equipment.
- no longer required due to changed procedures, functions or usage patterns.
- occupying storage space and not being needed in the foreseeable future.
- no longer complying with health and safety standards.
- beyond repair but able to be sold for scrap.

A list of suggested assets for disposal should be presented to the Finance Committee:

- by the Executive Officer for items in parish office, parish assets such as street furniture or items within Moulton Community Centre.

There should be a written reason of disposal. Items suggested for disposal by the Executive Officer should be approved by the Finance Committee. Special consideration should be given to items of potentially hazardous or pollutant items which are likely to have an impact on the environment.

10. Options for the Disposal of Assets

Assets identified for disposal may be dispensed with using the procedures listed below:

- Sale.
- Donated to a community service or organisation.
- Scrap.

Choice of the most appropriate disposal option will normally be influenced by the nature of the goods for disposal and market value. In all cases, assets disposed of should be reported on an 'Asset Disposal' form to ensure they are removed from the Council's Asset Register and recorded in the disposals register.

11. Sale to Staff

Items cannot be purchased by staff for the purpose of managing conflict of interests and fair offering.

12. Donations

Where the Council has determined that goods have no residual value, and where their disposal is therefore unlikely to produce sufficient revenue, it may authorise the donation of the goods to another organisation within the parish area such as schools, charities, and volunteer organisations. Donations must be recommended by the Finance Committee and approved by the Full Council meeting.

13. Scrap

Where items have negligible value or where the cost and time involved in managing the sale process would exceed the financial benefit, the equipment may be scrapped.

14. Asset Disposal Forms and the Asset Register

It is important that any asset disposals are correctly handled to ensure transparency and accountability. The asset disposal form (Appendix E) should be used to record the authorisation of the disposal by the appropriate staff/committee within the Council and the value or values achieved by it. The Executive Officer is responsible for updating of the Council's Asset Register following the appropriately authorised Asset Disposal Request. All asset disposals will be recorded in the Asset Disposals Register for audit purposes.

This policy is reviewed annually by the Executive Officer and submitted to the full council for approval.

Last Reviewed: January 2024
Review Due: January 2025