Claybooke Parva Parish Council

Asset Register Policy.

1. 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.

2. Scope of Asset Register

2.1 In order 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
- all items purchased from ear-marked reserves

2.2 The values indicated in the asset register will form part of the 'total fixed assets' section of the Annual Return.

2.3 The following items fall are **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
- 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
- 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

2.4 A separate section of the asset register will contain a schedule of disposals.

3. Valuation of Assets for Asset Register

3.1 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 (England) 2014, para. 3.69).

3.2 Assets must be valued by applying the purchase price, including VAT as appropriate.

3.3 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.

3.4 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. In order 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.

4 Procedure for Updating the Asset Register

4.1 The start point is the asset register that has been agreed for the end of the previous financial year. The financial information should be reviewed for all purchases made during the year. A discussion should be held with all Councilors to identify any assets that have been gifted to the Council. Any new assets which fall in the categories stated at 2.1 above should be added to the asset register, with their values recorded at the purchase price (net of VAT, if VAT is being reclaimed) or at £1 if gifted to the Council.

4.2 The financial information should also be reviewed for all asset sales made during the year. A discussion should be held with all Councilors to identify any assets that have been lost, disposed of or gifted by the Council. Any assets which fall in the categories stated at 2.1 above should be removed from the asset register and recorded in the schedule of disposals. 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.

4.3 An annual inspection 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.

4.4 The asset register and schedule of disposals should be reviewed annually by the Parish Council and then approved at the same time as the Annual accounts.

4.5 This policy will be reviewed regularly by the Parish Council

5. The Asset Register and Insurance

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 the items and not the purchase price as per the asset register.

The Council should ensure land and building are valued accurately for insurance purposes. Buildings should therefore be valued every five years to ensure the appropriate insurance is held.

Reviewed and approved by the Parish Council on 20th May 2026; Annual Parish Council Meeting, minute 6