



Chelveston-cum-Caldecott Parish Council

Northamptonshire

Asset Management Policy

1. Introduction

1.1 The term 'fixed assets' means property, plant and equipment with a useful life of more than one year owned by Chelveston-cum-Caldecott Parish Council to deliver its services.

2. Policy Statement

2.1 The Council will maintain an Asset Register of all fixed assets, regardless of value, that has a useful life of more than one year.

3. Risk

3.1 The assets the Council owns need to be recorded and be managed properly, otherwise the Council is exposed to the potential risk of financial loss e.g. assets may not be fit for purpose, be under used, be so out-of-date as to be incapable of satisfactory modernisation, or unable to prove ownership if challenged by another party.

3.2 The risk of financial loss is greatly reduced by regularly auditing. The Asset Register is to be reviewed annually in accordance with the Standing Orders.

3.3 The key information in the Scribe Accounting online Asset Register is:

- Description of the asset.
- Status (Active or Disposed).
- Cost centre (for accounting purposes).
- Date of acquisition and disposal.
- Purchase cost (if known).
- Proxy cost (if used for first valuation), known as the Current cost.
- Location of or Responsibility for the asset.
- Estimated life of the asset.
- Present usage and capacity, where applicable.
- Any regular charges of usage, where applicable.

4. New Assets

4.1 It is important that when the Council considers the creation of new assets, once identified, any new assets will be financed from a number of sources including: the precept, reserves, grants, sponsorship, donations and borrowing.

4.2 Most assets will be recorded in the Asset Register at their actual purchase cost (net of VAT if the VAT is being reclaimed).

4.3 In some cases, the purchase cost may not be known at acquisition or first recording and so a proxy cost may be substituted. A proxy cost is a value for the asset which is an estimate of its value by the Council (e.g. the Council may apply the insurance value of the asset at the time of first recording as a proxy cost).



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- 4.4 Where the Council becomes the registered owner of land as a gift by transfer from another authority (e.g. under a Community Asset Transfer Scheme), then such an asset should be included in the Asset Register with a nominal one pound (£1) as a proxy cost for the zero cost.
- 4.5 Any costs of bringing gifted assets into productive use should be expensed as revenue items.
- 4.6 If the Council owns assets that do not have a functional purpose or any intrinsic resale value (e.g. a war memorial), then these assets are referred to as 'Community Assets'. The Parish Council should record Community Assets in the Asset Register in the same way as gifted assets. The asset should be included in the Asset Register with a nominal one pound (£1) proxy cost.
- 4.7 The total value of the Council's assets recorded on the Asset Register as at 31st March each year is reported in the Council's *Annual Governance and Accountability Return*.

5. Asset Valuation

- 5.1 The Council adopts the commonly used method of fixed asset valuation for first registration on the Asset Register as the purchase cost (net of VAT if the VAT is being reclaimed), unless a proxy cost is more appropriate (e.g. gifted and community assets). Once recorded in the Asset Register, the recorded value of the asset will not normally change from year to year, unless the asset is materially enhanced.
- 5.2 Commercial concepts of depreciation, impairment adjustments, and revaluation are not required or appropriate for this method of asset valuation, in accordance with the *Governance and Accountability for Local Councils: A Practitioner's Guide (England)*.
- 5.3 Therefore, for reporting purposes, the original value of fixed assets will usually stay constant throughout their life until disposal.

6. Maintenance

- 6.1 Assets will be inspected regularly and maintained to a satisfactory standard. In accordance with the Financial Regulations, this will be at least annually.

7. Disposal

- 7.1 The authority to dispose of assets (as refuse, by recycling, by sale, or by destruction) will be in accordance with the delegation level in the Financial Regulations. Any revenue obtained from the disposal of an asset will be returned to the General Fund.
- 7.2 For accounting purposes, acquisitions and disposals of fixed assets should be treated as any other purchase or sale and recorded as part of annual payments or receipts.

This Asset Management Policy (version 1) was adopted by the Council on 13th May 2024 under resolution 24-22

Signed:
Chair of the Parish Council

Signed:
Clerk to the Parish Council