

HORRINGER-cum-ICKWORTH PARISH COUNCIL

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FIXED ASSET POLICY

1. Introduction

The Parish Council's assets, covering property, plant and equipment used by the council to deliver its services are recorded in a fixed asset register. Councils are expected to maintain an asset register to ensure their fixed assets are appropriately recognized and safeguarded.

2. Risk

If the assets the Council owns or for which it is responsible are not being managed properly the authority is exposed to the risk of financial loss relating to:

- improper asset management – without the right management information, outdated patterns of use may run on unchallenged or unnoticed;
- improper asset usage and maintenance – assets may not be fit for purpose, be underused or so out-of-date as to be incapable of satisfactory modernization; and
- asset ownership – the continued ownership of assets may be overlooked altogether and risks unmanaged.

The risk of financial loss can be greatly reduced by setting up an asset register which holds all the information needed including details of long-term investments and other non-current assets.

3. Asset Register

An asset register has four main purposes:

- It forms the basis for decisions on risk and insurance issues;
- It provides information on the age and potential lifespan of certain items;
- It provides assurance of the continued existence of Council's property; and
- It forms a basis for completion of 'Box 9' in the Annual Governance and

Accountability Return (AGAR) entry.

Whilst the asset register is updated by the Parish Council at the end of each financial year (31st March), it is a working document and will be amended with acquisitions and disposals as necessary. The definition of fixed assets means 'property, plant and equipment with a useful life of more than one year used by the authority to deliver its services.'

The following items are included in the Council's register, whether purchased, gifted or otherwise acquired, together with their holding location:

1. Land and buildings held freehold or on long term lease in the name of the Council;
2. Community assets;
3. Vehicles, plant and machinery;
4. Assets considered to be portable, attractive or of community significance;

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Items that are excluded from the register are: land and buildings which are rented, stationery and other consumables and plants and trees.

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

1. The purchase price (net of VAT);
2. The insurance valuation (where it is not possible to trace the purchase price of the asset); and
3. A nominal value of £1 applied for assets gifted to the Council.

The Council has a number of assets that do not have a functional purpose or any intrinsic resale value. These assets are referred to as 'community assets'. There are recorded in the assets register in the same way as gifted assets with a nominal one pound (£1) value as a proxy value.

In accordance with the Practitioners' Guide (2023), the asset register will contain the following information:

- Description of the asset and its location;
- Approx. date of its acquisition, upgrade and disposal; and
- Costs of acquisition and any expenditure which increases the life of the asset;
- Any other information which may be relevant;
- Assets that have been fully constructed and brought into use.

4. Asset Valuation

The asset is first recorded on the asset register at acquisition cost. Once recorded, the value of the asset will not change from year to year, unless the asset is materially enhanced.

Commercial concepts of depreciation, impairment adjustments, and revaluation are not required or appropriate for this method of asset valuation.

For reporting purposes therefore, the original value of fixed assets will usually stay constant throughout their life until disposal or materially enhanced. This method of asset valuation will be applied consistently from year to year and will be the council's adopted position.

All long-term investments (i.e. those for longer than 12 month terms) will be covered by the Council's Investment Strategy and reported as Assets in the AGAR at section 2, line 9.

If the council decides that the basis of valuation is to be changed, the change must be consistently applied to all relevant classes of fixed valuation. Such a change will require the value declared for the previous year to be changed to the new basis. The justification and explanation for such a change must be approved by full council and recorded in the minutes of the meeting at which the change is approved.

Where assets have been revalued during the year, the prior year will not need to be restated.

5. Asset Insurance

Council will ensure that there is regular comparison between the asset register and the insurance schedule to ensure that all assets are appropriately insured or "self-insured" by the

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council. Such a review will take place, as a minimum, at each internal control review and at least annually prior to insurance renewal.

6. Asset Inspection and Maintenance

All assets listed on the Fixed Asset Register will be inspected and reported on an annual basis as a minimum requirement.

Assets are required to be maintained to a satisfactory standard to ensure serviceability, prolong usable life, and reduce the possibility of increased repair costs.

The Leisure and Environment Committee (LEC) will ensure that appropriate arrangements are in place for the monitoring of play areas, open space areas and that play equipment is reviewed by appropriately qualified external inspectors at agreed intervals.

Asset maintenance action will require the prior approval of the parish council following a review and recommendation from the (LEC). No asset will be maintained beyond its reasonable useful life term.

7. Disposal

The authority to dispose of assets either by destroying or selling the item, will lie with the Policy and Resources Committee. Any revenue generated from the disposal of an asset will need to follow appropriate procedures including the use of any resulting capital receipt.

Such proceeds are not to be used for revenue purposes and can only be used for capital purposes such as:

- Purchase of fixed assets,
- Significant enhancement of fixed assets,
- Making of capital grants, or
- Repayment of long-term loans.

Adopted on January 2026

Review due January 2027