



# **ASSET REGISTER POLICY**

*As adopted at a meeting of Meppershall Parish Council on 13<sup>th</sup> September 2021*

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## DOCUMENT CONTROL

<b>Organisation</b>	Meppershall Parish Council
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<b>Creator</b>	Alessandra Marabese - Clerk
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## DOCUMENT AMENDMENT HISTORY

<b>Revision No.</b>	<b>Originator of change</b>	<b>Date of change</b>	<b>Change Description</b>
v1.0	Clerk	13/09/21	Policy creation

## 1. INTRODUCTION

- 1.1. Meppershall Parish Council (MPC) must maintain an Asset Register to ensure fixed assets and long-term investments are appropriately safeguarded and recorded. The Asset Register is required to:
  - 1.1.1. Provide information to Councillors as to the assets under their control.
  - 1.1.2. Track and monitor the assets.
  - 1.1.3. Provide information for decision making purposes e.g., maintenance, disposal.
  - 1.1.4. Provide information for external reporting, insurance, and audit purposes.
- 1.2. The term “fixed assets” means: property, plant and equipment with a useful life of more than one year used by the authority to deliver its services. Fixed assets are also known as non-current assets. (*Accountability for Local Councils: A Practitioner’s Guide (England) 2020 – Section 5*). MPC’s Financial Regulations, Section 12 refers to Assets.)
- 1.3. A long-term investment arises where the authority invests money in anything other than a short-term investment.
- 1.4. A short term investment is defined as a ‘Specified Investment’ that offers high security and high liquidity, made in sterling and with a maturing of no more than a year.

## 2. RECORDING OF ASSETS

- 2.1. In order to ensure transparency and reasonableness, the following assets will be included in the Council’s Asset Register, whether purchased, gifted or otherwise acquired;
  - 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
  - long term investments, shares and loans made by the Council
  - assets held on trust. The values indicated in the Asset Register will inform the ‘total fixed assets’ section of the Annual Return with the exception of assets held on trust.
- 2.2. MPC will include in the Asset Register items as described in 1.2 and 2.1 above if;
  - 2.3.1. MPC receives an asset as a gift at zero cost, e.g.: transfer from a principal authority or other organisation under a community asset transfer scheme. The asset in these circumstances will be included in the Asset Register with a nominal one-pound (£1) value as a proxy for the zero cost.
  - 2.3.2. MPC receives a community asset at zero cost that does not have functional purpose or any intrinsic resale value, e.g.: a village pond or war memorial. The asset in these circumstances will be included in the Asset Register with a nominal one-pound (£1) value as a proxy for the zero cost.
- 2.3. The following items fall outside the definition for inclusion in 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 at 2.1 above)
- repairs to assets
- 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. The register will be held electronically by the Clerk and updated annually.

### 3. VALUATION

- 3.1. The criterion by which asset valuation will be decided for first registration on the Asset Register is at acquisition cost.
- 3.2. The recorded value of the asset will not change from year to year until disposal or unless the asset is materially enhanced.
- 3.3. Once disposed of, the asset will remain on the Asset Register as a 'disposed asset' with a displayed value of "nil". The disposed asset will remain on the Fixed Asset Register for 7 years after disposal and will then be deleted.
- 3.4. The commercial concepts of depreciation, impairment adjustment and re-evaluation are not required for this method of asset valuation.

### 4. LONG-TERM INVESTMENTS

- 4.1. On acquisition, long-term investments will be recorded in the cash book as expenditure. Any asset created in this way should also be recorded on the asset register at its purchase cost.
- 4.2. Where MPC acquires an investment with a fixed maturity date (for example, a three-year savings bond), the investment will be accounted for as expenditure in the year and also as an increase in assets and long-term investment until its maturity. At maturity, the total (gross) proceeds should be recorded as income.
- 4.3. Any transaction costs will be recorded as expenditure. At maturity, the original acquisition value of the investment asset (which will remain unchanged over its term for the purposes of the Annual Governance and Accountability Return) will be removed from the Asset Register.
- 4.4. Long-term investments will be recorded in the asset and investments register at original cost at acquisition (the purchase price) which for accounting purposes will remain unchanged until disposal. It is recognised that the market value of long-term investments may change over time; therefore, at each year end, the RFO will make a note in the asset register of the notional market

value of each investment as at 31 March to inform readers. However, any real gain or loss compared to purchase cost will only ever be accounted for at the time of disposal when the total proceeds from the investment will be treated as income.

- 4.5. Any dividend or interest payments received during the year from investments will be recorded as income. Where MPC has made a contract to the effect that any dividends or interest receivable from an investment are 'rolled up' and only paid to the authority on the maturity of the investment (for example, as may be the case with certain fixed-term bonds), the 'rolled up' dividend and/or interest will only be reported as income if it has actually been received, that is, on the maturity of the investment.

## **5. THE ASSET REGISTER**

- 5.1. The Parish Council's Fixed Asset Register will contain the following information:

- 5.3.1. Type of asset e.g.: buildings, land, street furniture etc.
- 5.3.2. A description of the asset (and picture link)
- 5.3.3. The location of the asset and custodian if applicable
- 5.3.4. Purchase / acquisition date and cost
- 5.3.5. The replacement value for insurance purposes
- 5.3.6. Disposal date and the disposal amount realised from the sale (if applicable)

## **6. FINANCING OF NEW ASSETS**

- 6.1. The Parish Council will consider the acquisition of new assets and the maintenance requirements of its current assets on a regular basis, and at a minimum of once a year. When the requirement for any new asset has been identified, the Parish Council will consider a range of funding sources including:

- 6.3.1. the Precept
- 6.3.2. earmarked reserves
- 6.3.3. a grant including s106/CIL
- 6.3.4. sponsorship
- 6.3.5. a donation
- 6.3.6. a loan (It is a requirement of a Public Works Loan that the community has been engaged with to fully understand the implications of developing the asset by means of taking out a loan)

- 6.2. The Parish Council will consider and investigate all requests from the electorate for the purchase of new assets or improved equipment.

## **7. ASSET INSPECTION AND MAINTENANCE**

- 7.1. All assets listed on the Asset Register will be inspected and reported on annually.
- 7.2. Assets are required to be maintained to a satisfactory standard to ensure serviceability, prolong usable life, and reduce the possibility of increased repair costs.

7.3. Asset maintenance action will require the prior approval of the relevant Committee who will refer any costs which exceed their spending limits to the F&GP committee. No asset will be maintained beyond its reasonable useful life term.

## **8. IDENTIFICATION OF SURPLUS ASSETS**

8.1. As part of the annual asset review, the Parish Council will determine whether any current asset is surplus to needs and, if found to be so, will take appropriate action to dispose of the asset.

## **9. SUSTAINABILITY**

9.1. The Parish Council will consider ways to reduce the service costs of an asset, increase income from an asset and share assets or services for the benefit of the community wherever it is lawful, possible, and appropriate to do so.

## **10. DISPOSAL**

10.1. The authority to dispose of assets either by destroying or selling the item is set out in MPC Financial Regulations – section ASSETS, PROPERTIES AND ESTATES.

10.2. Any revenue generated from the disposal of an asset will, in normal circumstances, be credited to the cost centre from which the original asset was funded.