

Witham Town Council: Fixed Asset and Asset Valuation Policy

Policy Overview

This Policy explains how Witham Town Council manage their fixed assets and maintain their Asset Register to ensure that fixed assets are appropriately safeguarded and recorded.

This policy applies to all fixed assets owned by Witham Town Council, including but not limited to, land, buildings, vehicles, machinery and equipment.

Asset Register

A local council must maintain an asset register to ensure its fixed assets are appropriately recorded and managed. The Register is adopted each year by the Town Council as part of the Annual Return approval. The asset register facilitates the effective physical control over assets, provides information that enables the Town Council to make the most cost-effective use of its capital resources and supports the AGAR entry for fixed assets.

An asset register:

- Forms part of the 'Annual Return' (box 9). The total value of the Asset Register will inform the 'Total Fixed Asset' section of the Annual Return.
- Forms a basis for decisions on risk and insurance issues.
- Provides information on the age and potential lifespan of certain items.
- Provides assurance of the continued existence of Council's property.

Recording of Assets

- Items are recorded on the Register at known or estimated purchase values, net of VAT.
- Once recorded on the Asset Register, the value of the assets must not change from year to year until disposal. The value of an asset is not amended for depreciation or inflation as adjustments are not appropriate for local councils.
- The register records the description of the asset, location, date purchased (if known), and purchase cost.
- A separate register should be held for the insured cost of assets to be updated annually.
- From 2024 onwards items of less than £100 will not be recorded on the Register.
- Items gifted or donated to the Town Council will be recorded with a nominal value of £1.
- Items which fall outside of the definition for inclusion and are excluded from the Council's Asset Register are – trees and plants, stock items held for resale, consumable items or items with a useful life of less than a year, assets rented or loaned to the Council, cash and short-term investments and intangible assets.

Updating the register

The Asset Register is a working document which is updated and amended as necessary to include fixed assets acquired and disposed of during the year. An annual inspection of the Asset Register will take place to physically verify assets held and finalise the Register at the end of each financial year of 31st March. Any assets which cannot be located should be removed from the Register and recorded in the schedule of disposals, and new assets identified will be added to the Register.

Agreed and adopted: Policy & Resources Committee, Minute 46, 19.03.2024

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Policy & Resources Committee