



## Asset Register and Disposal Policy

### 1. Background

1.1 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 (Governance and Accountability for Local Councils: A Practitioner's Guide (England). The Council's Financial Regulations, section 14 refers to the custody of Assets, Properties and Estates.

### 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
- other assets estimated or known to have a minimum purchase or resale value of £50.00
- long term investments, shares and loans made by the Council
- assets held on trust (e.g. monies held)

2.2 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.

2.3 The following items fall outside the definition for inclusion and are therefore 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
- boundaries of land owned (e.g. fences, hedges and gates)
- floor or land surfaces and drainage
- plants and trees
- assets with a purchase or resale value of less than £50 (other than items listed as for inclusion in the asset register)
- repairs
- 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. All asset disposal must comply with the Asset Disposal Procedure referenced within this policy.

### **3 Valuation of Assets**

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)).

3.2 Assets must be valued by one of the following means based on available information:

- ideally, apply the purchase price (net of VAT if VAT has been reclaimed);
- otherwise, apply the purchase price (gross of VAT if VAT has not been reclaimed or where the VAT status of the purchase is unclear)

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 ledger should be reviewed for all purchases made during the year. A discussion should be held with all Council officers 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 ledger should also be reviewed for all asset sales made during the year. A discussion should be held with all Council officers 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 It is the Councils responsibility to ensure that a 'stock take' 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. The disposal procedure must be carried out in accordance with the procedure stipulated in section 6.

4.4 The asset register, schedule of disposals and this policy will be reviewed annually and approved by the Council at the same time as the approval of the Annual Return.

### **5 The Asset Register and Insurance**

5.1 For insurance purposes, the asset register includes a column to record the replacement value of each asset.

5.2 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 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.

## **6 Asset Disposal Procedure**

6.1 In accordance with Financial Regulation 14, the disposal of any asset exceeding the value of £250.00 must be authorised by the Parish Clerk who is required to refer the matter to the Parish Council for approval. Where any asset still has value in the asset register in excess of £500 then the decision in regards to its disposal must be referred to full Council.

6.2 All proceeds from such disposal are the property of the Parish Council and must be accounted for. Asset disposal decisions, and the reasons for taking them, should be documented. Not only does this assist in audit process and other examinations, it also highlights successes and problems for future reference.

6.3 Value for Money The best value outcome to the Council must be a major consideration when disposing of assets. Goods should only be disposed of after checks have been made to ensure that the item could not be utilised by other areas of the Council. Disposal should be based on a fair market value for each item. The price established should be based on:

- current market value
- condition of the item
- age of the item
- an assessment of the usefulness of the item.

Using external evaluation services should be required in case of IT equipment. All data storage devices must be reformatted prior to disposal to delete any data they may contain. Any data must be professionally destroyed. Any company or persons that are asked to destroy IT equipment should provide a certificate or statement that states disposal of IT Equipment has been completed and conforms to the requirement of the Council Data Protection Policy and the Data Protection Act and the guidance from the Information Commissioners Office (ICO).

6.4. Reasons for disposal - Items can be available for disposal because they are:

- required to be disposed of under a particular policy e.g. motor vehicles
- no longer required due to changed procedures, functions or usage patterns;
- occupying storage space and not being needed in the foreseeable future;
- no longer complying with health and safety standards;
- beyond repair but able to be sold for scrap.

A list of suggested assets for disposal should be presented to the Parish Council

- by the Parish Clerk for items in parish office, parish vehicles or village assets such as street furniture

There should be a written reason of disposal. Items suggested for disposal by a Manager should be approved by the Parish Council. Special consideration should be given to items of potentially hazardous or pollutant items which are likely to have an impact on the environment.

6.5 Options for the Disposal of Assets

Assets identified for disposal may be dispensed with using the procedures listed below:

- Sale by public tender
- Donated to a community service or organisation
- Scrap

Choice of the most appropriate disposal option will normally be influenced by the nature of the goods for disposal and market value. In all cases, assets disposed of should be reported on an 'Asset Disposal' form to ensure they are removed from the Council's asset register and recorded in the disposals register.

#### 6.6 Sale by tender

External tenders should be advertised using the appropriate channels and sealed bids sought. Assets should be sold as seen and no warranty should be given or implied. In both cases, at least two officers should be appointed to witness the opening, scrutiny and acceptance of the offers made. In all cases, the payment should be received in full prior to the equipment being released.

#### 6.7 Sale to Staff

Items cannot be purchased by staff for the purpose of managing conflict of interests and fair offering.

#### 6.8 Donations

Where the Council has determined that goods have no residual value, and where their disposal is therefore unlikely to produce sufficient revenue, it may authorise the donation of the goods to another organisation within the parish area such as schools, charities and volunteer organisations. Donations must be recommended and approved by the Full Parish Council meeting.

#### 6.9 Scrap

Where items have negligible value or where the cost and time involved in managing the sale process would exceed the financial benefit, the equipment may be scrapped.

#### 6.10 Asset Disposal Forms and the Asset Register

It is important that any asset disposals are correctly handled to ensure transparency and accountability. The asset disposal form (appendix A) should be used to record the authorisation of the disposal by the appropriate staff/committee within the Council and the value or values achieved by it. The Parish Clerk/RFO is responsible for updating of the Council's asset register following the appropriately authorised Asset Disposal Request. All asset disposals will be recorded in the Asset Disposals Register for audit purposes

**Dated:** 19<sup>th</sup> October 2023

**Approved:** 1<sup>st</sup> November 2023

**Reviewed:** 21<sup>st</sup> October 2025

**Approved:** 5<sup>th</sup> November 2025

# Asset Disposal Form

## Appendix A

Form to be completed by Clerk and presented to Full Council for recommendation of disposal in line with the Asset Register Policy and Disposal Procedure

### List of Assets to be Disposed

Asset Reference and Serial Number	Location	Description	Purchase Date	Original Cost	Disposal Value

### REASONS FOR DISPOSAL

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### METHOD OF DISPOSAL

Scrapped		Sold		Gifted/Donated	
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### Additional Information:

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Date of Disposal		Auth Ref/Minute Ref	
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**Authorising Officer and Position Held:**  
(Sign and Print Name)

