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NORTHCHURCH PARISH COUNCIL

ASSET MANAGEMENT POLICY

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ASSET MANAGEMENT POLICY

INTRODUCTION

Northchurch Parish Council (NPC) has a duty to ensure that its investments in assets are properly managed, controlled and recorded. The Parish Council will maintain a fixed asset register of items of value more than £150. The register will be held electronically by the Clerk and updated annually.

RECORDING OF ASSETS

A record of fixed assets and their values is required to:

- Provide information to Councillors as to the assets under their control.
- Track and monitor the assets.
- Provide information for decision making purposes e.g., maintenance, disposal.
- Provide information for external reporting, insurance, and audit purposes.

VALUATION

The criterion by which asset valuation will be decided for first registration on the Fixed Asset Register is at acquisition cost. The recorded value of the asset will not change from year to year until disposal of the asset at which time, the asset will remain on the Fixed 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 then be deleted.

The commercial concepts of depreciation, impairment adjustment and re-evaluation are not required for this method of asset valuation.

THE FIXED ASSET REGISTER

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

- A description of the asset, including the date on which it was acquired.
- The location of the asset
- The market value, where appropriate
- The replacement value for insurance purposes
- The disposal amount realised from the sale (if applicable)
- The date of disposal

FINANCING OF NEW ASSETS

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:

- the Precept
- earmarked reserves
- a grant
- sponsorship
- a donation
- a loan*

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

*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.

ASSET INSPECTION AND MAINTENANCE

All assets listed on the Fixed Asset Register will be inspected and reported on annually.

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

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.

IDENTIFICATION OF SURPLUS ASSETS

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.

SUSTAINABILITY

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.

DISPOSAL

The authority to dispose of assets either by destroying or selling the item, will lie with the Finance & General Purposes Committee.

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.

Approved by Northchurch Parish Council TBD April 2022