

FIXED ASSETS POLICY

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1. Introduction

- 1.1 Studham Parish Council ("Council") maintains a Fixed Asset Register to ensure Fixed Assets are appropriately safeguarded. The Fixed Asset Register is required to:
- (a) provide information to Councillors as to the assets under their control;
 - (b) track and monitor the assets;
 - (c) provide information for decision making purposes e.g., maintenance, disposal; and
 - (d) provide information for external reporting, insurance, and audit purposes.
- 1.2 The term Fixed Assets mean property, plant and equipment with a useful life of more than one year used by the Council to deliver its services. Fixed Assets are also known as non-current assets.

2. Recording of Assets

- 2.1 The Council will maintain a Fixed Asset Register of items as described in section 1.2 above if:
- (a) the purchase / acquisition cost is more than £250;
 - (b) the Council 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 Fixed Asset Register with a nominal one-pound (£1) value as a proxy for the zero cost; or
 - (c) the Council 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 Fixed Asset Register with a nominal one pound (£1) value as a proxy for the zero cost.
- 2.2 The register will be held by the Clerk and updated annually or as required.

3. Valuation

- 3.1 The criterion by which asset valuation will be decided for first registration on the Fixed Asset Register is at acquisition cost unless sections 2.1(a) or (b) above apply or, exceptionally, it is specified otherwise in the Fixed Asset Register.
- 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 Fixed Asset Register as a "disposed asset" with a displayed value of "nil". The disposed asset will remain on the Fixed Asset Register for two 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 in relation to audits.

4. The Fixed Asset Register

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

- (a) type of asset e.g.: buildings, land, street furniture etc.;
- (b) a description of the asset;
- (c) the location of the asset and custodian if applicable;
- (d) purchase / acquisition date and cost;
- (e) the replacement value for insurance purposes; and
- (f) disposal date and the disposal amount realised from the sale (if applicable).

5. Asset Maintenance

- 5.1 Assets are required to be maintained to a satisfactory standard to ensure serviceability, prolong usable life, and reduce the possibility of increased repair costs.
- 5.2 Asset maintenance action will require the prior approval of the Council. No asset will be maintained beyond its reasonable useful life term.

6. Identification of Surplus Assets

- 6.1 If the Council determines that any current asset is surplus to its needs, it will take appropriate action to dispose of such asset.

7. Disposal

- 7.1 The authority to dispose of an asset, either by destroying or selling the item, will lie with the Council.
- 7.2 Any revenue generated from the disposal of an asset will, in normal circumstances, be credited to the Council's funds.

This Fixed Assets Policy was adopted on 5 March 2024.

This Fixed Assets Policy will be reviewed annually.