

Ludgvan Parish Council

Asset Register Management Protocol

September 2025

Councils must maintain an asset register to ensure fixed assets are recorded and their whereabouts and value are known. A council's asset register has four main purposes:

- i. It forms a basis for decisions on risk and insurance
- ii. It provides information on the age and potential useful lifespan of certain items
- iii. It provides assurance on the existence of Council's property
- iv. It forms a basis for completion of Box 9 in the Annual Return.

The asset register is updated by the Parish Council at the end of each financial year but is a working document and will be updated from time to time as needed.

Scope of Asset Register

In order to ensure transparency and reasonableness, the following items are 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
- Assets considered 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 in 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.

The following items fall outside the definition for inclusion and so they are 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
- Stationery and other consumable items
- Boundaries of land owned (eg fences, hedges and gates)
- Floor or land surfaces and drainage
- Plants and trees
- Repairs
- Cash, short term investments and other current assets
- Intangible assets (eg internet domain names)
- 'negative' assets (eg borrowings and creditors).

Valuation of Assets

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 (SAPPP Practitioners' Guide).

The recorded value of an asset should be decided by the following methodology, set out in order of priority:

- Ideally, apply the purchase price (net of VAT if VAT has been reclaimed); or
- Apply the purchase price (gross of VAT if VAT has not been reclaimed, or where the VAT status of the purchase is unclear); or
- Where it is not possible to trace the purchase price of the asset, the insurance valuation should be applied.
- If not separately insured, a reasonable estimate based on available knowledge; or
- As a last resort, a nominal value of £1 may be applied. This should also be used for assets gifted to the Council.

Procedure for updating the Asset Register

- 1) The extant asset register previously agreed by the council is the official register until replaced by a council decision.
- 2) New assets acquired during the year will be recorded to be added to the register. Items gifted to the council during the year and qualifying as assets according to the above criteria will be added to the new, draft, asset register with their value determined by the methodology above.
- 3) As a fail-safe, the expenditure ledger will be reviewed for all purchases made during the year.
- 4) Any assets disposed of during the year should be recorded on the asset register as a disposal.
- 5) The asset register will 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.
- 6) An annual 'stock take' of asset register items will be carried out to physically vouch for all assets.

L Clifton, Clerk/RFO