



Kidsgrove Town Council Fixed Asset Policy

Responsible Officer:	Town Clerk
Draft:	July 2025
Approved:	24 th July 2025
Minute Number:	FC/25-26/03/06
Scheduled Review	July 2027

1. Introduction

In accordance with Section 14.6 of its Financial Regulations, Kidsgrove Town Council (KTC) is required to ensure that it maintains a record of its fixed assets in order to ensure that assets are appropriately recorded and safeguarded. This Policy identifies how that fixed asset register should be maintained, what should be included in it, the insurance arrangements and how assets will be disposed of.

The fixed asset register:

- ☐ forms a basis for completion of box 9 in the Annual Return
- ☐ informs decisions on risk and insurance
- ☐ provides information on the age and replacement strategy
- ☐ provides a basis for asset audits, to check the existence, ownership and valuation of our assets.

The register is approved annually by KTC but is updated on each change.

2. Scope of the Fixed Asset Register

KTC defines tangible fixed assets as property, plant, machinery and equipment with a useful life of more than three years and a minimum acquisition value of £500. Intangible fixed assets are non-physical assets with an ongoing value to KTC and a minimum acquisition value of £500.

The following items are included in the register, whether they were purchased, gifted or otherwise acquired by KTC:

- ☐ Land and buildings held freehold or on long term lease in the name of the council.
- ☐ Community assets (if any)
- ☐ Vehicles, plant and machinery
- ☐ Assets considered to be portable, attractive or of community significance
- ☐ Expenditure on improvements or renewals to a fixed asset
- ☐ Any other long-term asset estimated to have an acquisition value of £500 or more
- ☐ Any other asset that needs to be included in reports to the insurer.

The values included in the register will inform the relevant section of the Annual Return.

For clarity, the following are not included in the register:

- ☐ Land and buildings held on short term lease or rented
- ☐ Assets rented or loaned to the council
- ☐ Stationery and other consumable items
- ☐ Inventory held for sale in the normal course of business, eg food and drink
- ☐ Boundaries of land owned (fences, hedges, gates etc)
- ☐ Plants and trees
- ☐ Assets with an estimated value below £100 at acquisition
- ☐ Repairs (unless these have added value to an asset which is already included on the register)
- ☐ Cash, short-term investments and other current assets.

3. Valuation of Fixed Assets

Assets are valued by the purchase price (excluding VAT where applicable) if the purchase price is known. A separate insurance valuation is recorded which will normally initially be the acquisition value of the asset. Where the purchase price is not known, the insurance valuation should be applied. As a last resort, a nominal value of £1 should be applied. Assets gifted to FTC will be given a nominal value of £1.

The register will include reference to the insurance valuation, which is based on the estimated cost to replace each item. This figure is reviewed annually.

There is no depreciation of the Council's fixed assets¹

4. Revaluation of fixed assets

- a. Assets will be revalued if there is a major change in the market value,, ie in excess of £50000. Normally, this will only be for land and buildings. The new value will also be used for insurance purposes.
- b. A professional independent valuation will be used as the basis for these revaluations.

5. Register Maintenance

- a. The asset register is reviewed formally by the Finance and General Purposes committee on an annual basis.
- b. All acquisitions, including those of fixed assets, are subject to the restrictions contained within the Council's Financial Regulations.
- c. On delivery of each qualifying acquisition, the asset register is updated with the purchase price and the insurance value. Purchased assets will normally have the insurance value the same as the purchase value.
- d. A physical check of the asset register will be completed periodically. Major assets (those over £50,000 insurance value) will be inventoried annually. All other assets will be inventoried on a rolling three year basis. The location and responsible manager will be recorded to facilitate this audit.

6. Disposal of Fixed Assets

- a. Individual assets with an insurance value less than £1000 may be disposed of on the authorisation of the Town Clerk (or the RFO in the absence of the Town Clerk), and will be reported to the Finance and General Purposes Committee at their next meeting.
- b. Individual assets with a purchase value higher than £1000 or a number of assets with a cumulative value of more than £1000 will require the authorisation of the Finance and General Purposes Committee prior to disposal.
- c. Proceeds from the disposal of fixed assets are known as capital receipts and are subject to statutory controls. Such proceeds cannot be used for revenue purposes and can only be used for capital purposes. Separate records will be kept as required to demonstrate compliance with this requirement.²
- d. Where the total proceeds from the sale of a fixed asset is below a specified amount (currently £10,000) it is deemed to be de minimis and these requirements do not

¹ (Joint Panel on Accountability and Governance Practitioners' Guide (March 2022) para 5.65)

² (Joint Panel on Accountability and Governance Practitioners' Guide (March 2022) para 5.146)

apply.³

7. Protection of Fixed Assets

- a.** In the event that any assets are damaged or broken by officers or councillors, whether damaged accidentally or deliberately, the Council will only be able to request payment for the damage if the employee's contract, or the issue agreement with the councillor, states that this will be the case.
- b.** If there is no such agreement, the officer or councillor will not be required to cover any costs.
- c.** The council may ask for a contribution towards the repair/replacement of the assets, but there is no requirement for the individual to pay.
- d.** If there is reasonable evidence to believe the damage has been caused deliberately, the Council will treat this as a disciplinary/code of conduct matter, and due process will be followed.
- e.** Fixed assets issued to individuals (for example lap-tops) for use off the Council premises will be signed for, and there will be a requirement to confirm that the individual still holds the asset on at least an annual basis.

³ (Joint Panel on Accountability and Governance Practitioners' Guide (March 2022) para 5.147)