



ASSET MANAGEMENT POLICY

WRITTEN BY:

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APPROVAL DATE:

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REVIEW DATE:

June 2022

INTRODUCTION

1.1 'Asset Management' is defined as:

A set of tools and organisational procedures designed to support the proficient management of equipment and software. Asset management stresses full lifecycle management from procurement to disposal.

Biddulph Town Council is committed to the efficient recording and monitoring of all assets held by the Town Council to ensure appropriate safeguarding. This Policy reflects these principles.

OBJECTIVES OF THE POLICY

2.1 Policy Objectives:

- To facilitate the overall management of risk for all capitalised equipment and software for the organisation
- To improve asset utilisation, identify and remove problem assets and those assets which are dormant, avoiding redundant maintenance and warranty coverage.
- To generate and maintain an accurate and current Asset Register of all equipment and software

- To ensure the organisation fulfils its legal, statutory and audit requirements in relation to capitalised equipment and software.
- To provide appropriate management information in relation capitalised equipment and software

PROVISIONS

3.1 An Asset Register will be generated and maintained by the Chief Officer.

3.2 Items included in the Asset Register

The Asset Register will include all capitalised equipment and software with a purchase or revaluation value of £1,000 and above, including a collection of items that in total equals or exceeds £1,000.

All procurement is authorised in line with the Financial Regulations and is overseen by the Responsible Financial Officer (RFO). This helps to ensure that Biddulph Town Council can:

- Ensure assets are subject to the appropriate disposal processes which abide by all legal, statutory or audit requirements.
- Ensure that design specifications for equipment are directly linked to business requirements and address the entire lifecycle.
- Reduce over-provision of equipment and software
- Improve the organisations ability to recycle and reuse assets with a remaining useful life.

3.3 Items not included in the Asset Register

The following items fall outside the definition for inclusion and are therefore excluded from the Council's Asset Register:

- Assets rented or loaned to the Council
- Assets owned by charitable trusts where the Council is the trustee
- Items held for resale, i.e. stock
- Consumable items or items with a useful life of less than a year
- Cash and short-term investments
- Intangible assets

3.4 Use of the Asset Register

The Asset Register and related information will be used to generate management information for the organisation including:

- Improved forecasting and budget allocation
- Improve procurement decisions by provision of information to assist in the determination of such issues as the cost / benefits and risks of lease versus purchase options
- Improve planning and flexibility of technology upgrade and refreshment

3.5 Recording of other items

A similar format is used to ensure that all items falling outside of the definition above can be recorded. For example, a new microphone (value below £1000) is recorded to ensure that its use, and lifecycle can be monitored, enabling a wider view of items within the Town Council's ownership.

3.6 Annual Review

An annual inspection of the fixed Asset Register will occur to ensure that all items can be physically verified. Discrepancies between the physical verification process and the Register will be investigated promptly by the RFO. Any assets which cannot be located after investigation will be removed from the Asset Register and recorded in the schedule of disposals. Any new assets identified will be added to the Register.

The values indicated in the Asset Register will inform the 'Total Fixed Asset' section of the Annual Return.

3.7 Valuation of assets and the fixed Asset Register

Once recorded on the fixed Asset Register, the value of assets must not change from year to year until disposal. Concepts of depreciation and impairment adjustment are not appropriate for Local Councils (Governance and Accountability for Local councils: A Practitioner's Guide (England)).

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

- Actual purchase price (where known)
- Proxy (estimated purchase price) value, where actual purchase price is not known
- Nominal value of £1. This should be used for assets gifted or transferred to the Council

3.8 Valuation of assets for insurance purchases

The fixed 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 the item, not the purchase price or market value.

The Council should ensure assets are valued accurately for insurance purposes to avoid under (or over) insuring. Assets should therefore be valued every five years to ensure the appropriate level of insurance is held.