



Bingham Town Council

Asset Valuation Policy

Purpose and Context

The Town Council has assets totalling £1,844,960 for the year ended 31 March 2022. The Council has a duty to ensure that its assets are properly managed, controlled and recorded.

Policy Statement

The Town Council will maintain a Fixed Asset Register of all land; items of value in excess of £100 that it has purchased and items gifted to the Town Council. The Register is held in the Town Council Office. It will be updated at least annually. A record of assets and their corresponding value is required to provide information:

- to Councillors as to the assets under their control
- for decision making purposes
- for external reporting, insurance and audit purposes

The Fixed Asset Register

The Town Council's Fixed Asset Register contains the following information:

- Description of the asset
- Date acquired (if known)
- Location of the asset
- Cost of the asset (this may include a nominal amount of £1 if the asset was a gift to the Town Council) or insurance value if the cost of the asset is not known
- Any disposal amount received
- Reason for disposal

Method of Valuation

The Joint Panel on Accountability and Governance, Practitioners' Guide for 2017/18 included a change in guidance regarding asset valuation. There is no longer a specified method of asset valuation, for example acquisition cost, so authorities may use any reasonable approach to be applied consistently from year to year.

The method of asset valuation adopted by the Town Council is set out below:

- Where the purchase price of the asset is known the purchase price will be recorded
- If the asset was gifted to the Town Council then the value will be recorded as £1
- If the purchase price is unknown then the insurance value will be used

Commercial concepts of depreciation, impairment adjustments, and revaluation are not required or appropriate for this method of asset valuation. Therefore, for reporting purchasing on the Fixed Asset Register the recorded value of fixed assets will stay constant throughout their life until disposal.

If it is determined that the Town Council should change the basis of valuation, the change must be applied consistently to all relevant classes of fixed assets.

Maintenance

The Town Council's assets will be inspected in line with best practice and maintained to a satisfactory standard.

Disposal of Assets

The authority to dispose of assets either by destroying, selling them or otherwise, will lie with the Town Council. Any revenue obtained from the disposal of an asset will in normal circumstances be credited to the cost centre which originally purchased the asset, for replacement of the item or to the general reserve if a replacement is not required.

This Asset Valuation Policy was considered and approved by Bingham Town Council on 16 May 2023

This Policy was reviewed and adopted by Bingham Town Council on 07 May 2024.

Minute Reference: 23k