

Cockermouth Town Council

FIXED ASSET POLICY

Adopted by Council on 16/04/2025

1. Introduction

Items in the ownership of Cockermouth Town Council are recorded in a fixed asset register. Town and Parish councils must maintain an asset register to ensure their fixed assets are appropriately safeguarded.

2. Risk

If the assets the Council owns or for which it is responsible are not being managed properly the authority is exposed to the risk of financial loss relating to:

- improper asset management – without the right management information, outdated patterns of use may run on unchallenged or unnoticed;
- improper asset usage and maintenance – assets may not be fit for purpose, be underused or so out-of-date as to be incapable of satisfactory modernisation. Equally they may be capable of alternative, additional or more intensive use or be readily saleable. These opportunities may be missed where no comprehensive information on assets is available; and
- asset ownership – the continued ownership of assets may be overlooked altogether and risks unmanaged.

The risk of financial loss can be greatly reduced by setting up an asset register which holds all the information needed.

3. Asset Register

An asset register has four main purposes:

- It forms the basis for decisions on risk and insurance issues;
- It provides information on the age and potential lifespan of certain items;
- It provides assurance of the continued existence of Council's property; and
- It forms a basis for completion of 'Box 9' in the Annual Governance and Accountability Return entry.

The asset register is updated by the Town Council at the end of each financial year, but it is a working document and should be amended as necessary. The definition of fixed assets means *'property, plant and equipment with a useful life of more than one year used by the authority to deliver its services.'*

The following items are included in the Council's register, whether purchased, gifted or otherwise acquired, together with their holding location:

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1. Land and buildings held freehold or on long term lease in the name of the Council;
2. Community assets;
3. Vehicles, plant and machinery;
4. Assets considered to be portable, attractive or of community significance;
5. Other assets estimated or known to have a minimum purchase or resale value of £250.

Items that are excluded are: land and buildings which are rented or held on a short-term lease, stationery and other consumables, plants and trees and assets with a purchase or resale value of less than £250 (other than items listed as for inclusion in the asset register).

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

1. The purchase price;
2. A nominal value of £1 if the purchase price is not known;
3. Assets gifted to the Council should be valued at £1.

The Council may own assets that do not have a functional purpose or any intrinsic resale value (for example, a war memorial). These assets are often referred to as 'community assets'. Authorities should record community assets in the assets register in the same way as gifted assets. The asset should be included in the asset register with a nominal one pound (£1) value as a proxy value.

The asset register will contain the following information:

- Description of the asset and its location;
- Dates of its acquisition and disposal (it is useful to keep a record of disposed assets as an asset management tool); and
- Costs of acquisition and any expenditure which increases the life of the asset;
- Any other information which may be relevant.

4. Asset Valuation

The asset is recorded on the asset register at acquisition cost. Once recorded, the value of the asset will not change from year to year.

Commercial concepts of depreciation, impairment adjustments, and revaluation are not required or appropriate for this method of asset valuation.

For reporting purposes therefore, the original value of fixed assets will usually stay constant throughout their life until disposal.