Herne and Broomfield Parish Council

Asset Management Policy

June 2024

Introduction
Herne and Broomfield Parish Council has significant investment in its fixed assets totalling circa £2M to date. The Parish Council has a duty towards the electorate to ensure that this investment is properly managed, controlled and recorded.

Definition
A fixed asset is defined as any building, land or item of plant or equipment which has a life expectancy (i.e. usage period) of more than one year. Items with a life expectancy of one year or less are considered to be consumable items.

Recording of Assets
A record of fixed assets and their value is required to:

- Provide information to Councillors as to the assets under their control.
- Track and monitor the assets, and their location.
- Provide information to assist decision making e.g. disposal, repair, renewal.
- Provide information for external reporting, insurance and audit purposes.

The Fixed Asset Register
The Parish Councils fixed asset register will contain the following information:

- A description of the asset.
- When the asset was acquired.
- The market value of the asset when it was acquired.
- The replacement value for insurance purposes.
- The disposal amount received (when required).
- The date of disposal.
- Where the asset is located.

The Fixed Asset Register will be kept electronically and will be updated annually by the Clerk. All items over the value of £150 will be registered unless they are consumables.

Valuation and Disposal
The criteria for assessing value for all assets will be the acquisition cost when the asset is added to the Fixed Asset Register. This value will not change from year to year, until the item is disposed of then the value will be nil. The disposed of asset will remain on the Fixed Asset Register for 7 years after which it will be removed.

The concept of depreciation and impairment adjustment will not be required for this method of asset management.

Financing New Assets
It is important that the Council consider the creation and maintenance of new assets. Once identified new assets will be financed from a number of sources including grants, borrowing, sponsorship, the precept and from earmarked reserves.

The Parish Council will consider and investigate requests from parishioners for new or improved services and equipment and will involve them in the decision-making process.

Maintenance
Assets will be inspected and be maintained under the Parish Councils maintenance program.

Assets are required to be maintained to a satisfactory standard to ensure serviceability and to prolong their usable life.

No asset will be retained beyond its reasonable life expectancy.

Sustainability
Consideration will be given to reducing running costs and increasing income wherever possible or sharing facilities.

Identification of Surplus Assets and Disposal
As part of an annual review the Parish Council will review all assets and determine if any current asset is surplus to requirements and may be disposed of.

The authority to dispose of assets either by destroying, selling them or otherwise will lie with the Parish 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.