



# Asset Register and Disposal Policy

## 1. Background

- 1.1 Local Councils must maintain an asset register to ensure fixed assets are appropriately safeguarded. This includes items of a capital nature where values tend to be high, and which have a useful life of more than one-year and are used by a council to deliver its services.<sup>1</sup> Fixed assets are also known as non-current assets. Fixed assets in excess of £1000 acquired in any year should be added to the Asset Register for management purposes. The Council's Financial Regulations, section 16 refers to the custody of Assets, Property and Estates.

## 2. Scope of Asset Register

- 2.1 In order to ensure transparency and accountability, the following items are included in the Council's Asset Register, whether purchased, gifted, or otherwise acquired, together with their holding location
- Land and buildings held freehold or on long term lease in the name of the Council
  - Community Assets
  - Vehicles, plant, machinery and equipment
  - Assets considered to be portable, attractive or of community significance
  - Other assets estimated or known to have a minimum purchase or resale value of more than £1000
  - Long term investments, shares and loans made by the Council
- 2.2 The values indicated in the asset register will inform the 'total fixed assets' section of the Annual Governance and Accountability Return (AGAR).
- 2.3 The following items fall outside the definition for inclusion and are therefore excluded from the Council's Asset Register
- Land and buildings held on short term lease or rented
  - Land and buildings maintained or serviced, but not owned by the Council
  - Assets rented by or loaned to the Council
  - Stock items intended for resale
  - Stationery and other consumable items
  - Boundaries of land owned i.e. fences, hedges, gates
  - Floor or land surfaces and drainage
  - Plants and trees
  - Assets with a purchase or resale value of less than £1000
  - Cash and short terms investments
  - Intangible assets i.e. internet domain names, contingent assets, trademarks

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<sup>1</sup> Practitioners' Guide 2025-Governance and accountability for smaller authorities in England

- Liabilities i.e. borrowings, creditors

A separate section of the Asset Register will contain a schedule of disposals. All asset disposals must comply with the procedure referenced in this policy.

### **3. Valuation of Assets**

- 3.1 Once recorded on the asset register, the value of assets must not change from year to year until disposal. Concepts of depreciation and impairment adjustments are not applicable to local councils.
- 3.2 Assets must be valued by the purchase price net of vat (if VAT is applicable)
- 3.3 Where the purchase price of the asset is unknown, the insurance valuation should be applied. As a last resort a nominal value of £1 may be applied. This should also be used for assets gifted to the Council
- 3.4 There is no guidance where land or buildings have been subject to substantial renovation and improvement to such an extent that the new market value bears no relation to the original purchase cost. In order to avoid renovation and improvement work being separately recorded on the asset register and in these exceptional circumstances only, a market value supplied by a qualified surveyor may be entered.

### **4. Procedure for updating the Asset Register**

- 4.1 The start point for updating the register will be the agreed figures for the end of the previous financial year. The accounts should be reviewed for all purchases made during the year and the identification of any new assets gifted to the Council during the year. Any new assets which fall within the categories stated in 2.1 should be added to the asset register with the value applying as per Section 3.
- 4.2 A review should be carried out to establish any assets sold, lost, disposed of, or gifted by the Council during the financial year. Any asset falling within the categories stated in 2.3 should be removed from the asset register and recorded in the schedule of disposals. The asset register should also record any assets loaned by the Council, including details of the person or organisation borrowing the asset, its location and the date when the loan period ends.
- 4.3 A check should be carried out annually to ensure all items included on the asset register can be physically verified. If any assets cannot be located a report must be made to the Council at the earliest opportunity for a decision as to any follow up action. Assets which cannot be located should be removed from the asset register and recorded in the schedule of disposals.

### **5. The Asset Register and Insurance**

- 5.1 For the purposes of insurance the asset register may include a column, if appropriate, to record the replacement value of each asset.
- 5.2 The Asset Register will be used as a guide for insuring the Council's assets.
- 5.3 An annual insurance review will be undertaken to ensure the Council's land, buildings and property are valued accurately. It is recommended that buildings should be revalued every five years to ensure that up to date values are applied to the insurance policy.

## 6. Asset Disposal Procedure

- 6.1 Asset disposals must be referred to the Finance & Property Sub-Committee for prior approval. Any proposed disposal with an asset value of more than £500 must have a Sub-Committee recommendation for approval by the Management Committee or Full Council.
- 6.2 All proceeds from such disposal are the property of the Council and must be accounted for and reported. Asset disposal decisions, and the reasons for taking them, must be documented in the Council meeting minutes to ensure financial transparency and accountability values are met and to ensure there is a proper audit trail.
- 6.3 The best value outcome must be a consideration when disposing of assets. Assets should only be disposed of after checks have been made to ensure that the item could not be utilised in other areas of the Council's work. Disposal should be based on a fair market value for each item which should be based on
- Current market value
  - Condition of the item
  - Age of the item
  - An assessment of the usefulness of the item
- An external valuation service might be necessary in some circumstances. Where computer equipment, or other data storage devices are being disposed of the equipment must be reformatted prior to disposal to delete all data.
- 6.4 There must be a valid reason for disposal, this could be
- Equipment no longer required as a result of a change in circumstances
  - Equipment obsolete or not complying with health and safety standards
  - Beyond repair but has scrap value
- 6.5 Special consideration must be given to items which may potentially be hazardous or a pollutant which are likely to have a negative impact on the environment.
- 6.6 Assets identified for disposal have to be dispensed with via the following channels
- Sale by public tender  
Sale by public tender should be advertised using appropriate channels and sealed bids sought. Assets must be sold as seen and no warranty given or implied. Sealed bids must be opened at the designated time by at least two officers who should witness the opening, scrutinise and consider the offers. Arrangement for acceptance of any offers must have been made in accordance with the decision made as set out in 6.1. Full payment must have been received prior to any asset being released.
  - Donation to a community or voluntary group  
Where the Council has determined that goods have no residual value, and where their disposal is therefore unlikely to produce sufficient revenue, it may authorise the donation to a local charitable group within the parish.
  - Scrapped through an authorised dealer  
Where items have a negligible value or where the cost of time involved to manage the sale process would exceed the financial benefit, the equipment may be scrapped
- Choice of the most appropriate method of disposal will be influenced by the nature of the goods being disposed of and any market value.
- 6.7 Items cannot be sold/gifted to staff members or councillors for the purposes of managing conflicts of interest.

6.8 It is important that and asset disposals are correctly handled to ensure accountability and transparency. The Asset Disposal Form (appendix A) must be used to record the authorisation of the disposal by the appropriate means, and the value or values achieved by its disposal. The Town Clerk is responsible for ensuring the Asset Register is updated following the authorised request and approval to ensure that relevant audit requirements are followed.

## **7. Policy Details**

7.1 Date First Adopted – Finance & Property Sub-Committee December 2023  
[FP23/12#91]

7.2 Review Period - The Asset Register, schedule of disposal and this policy shall be reviewed annually.

*Reviewed at the Finance & Property Sub-Committee meeting, March 2026*



Ross-on-Wye  
Town Council

## Appendix A: Asset Disposal Form

**Form to be completed by Town Clerk or Appropriate Manager and presented to the Finance & Property Sub-committee in line with the Asset Register Policy and Disposals Procedure.**

**List of Assets to be Disposed**

<b>Asset reference and serial number</b>	<b>Location</b>	<b>Description</b>	<b>Purchase date</b>	<b>Original cost</b>	<b>Disposal value</b>

**REASONS FOR DISPOSAL**

**METHOD OF DISPOSAL**

<b>Scrapped</b>	<input type="checkbox"/>	<b>Sold</b>	<input type="checkbox"/>	<b>Gifted / Donated</b>	<input type="checkbox"/>
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**Additional Information:**

<b>Date of Disposal</b>		<b>Auth Ref/Minute Ref</b>	
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**Authorising Officer and Position Held:**  
(Sign & Print Name)