

Millington cum Givendale Parish Council

29th March 2017

ASSET REGISTER – ANNUAL REVIEW

1. Introduction

The Council are required to hold a register of their assets, to comply with the advice contained within "Governance and Accountability for Local Councils - A Practitioners' Guide (England) March 2014". Relevant extracts from the guidance are noted in Appendix 1. This includes details of all land and major property items owned by the Council. As Millington cum Givendale has so few assets every item is recorded on the register.

2. Formal Register

2.1 The Council created a register although it is not clear when this was done. Evidence from the minutes indicates that it has been reviewed on a regular basis. The purpose of the review is to reflect any additions/deletions during the year and also update asset valuations to reflect the costs quoted in the current insurance policy.

2.2 A copy of the register is included as Appendix 3.

2.3 Additions (since March 2016)
None

2.4 Deletions (since March 2016)

Grass strimmer	£180.00
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2.5 Amendments (since March 2016)

The proxy value of the projector was changed from £250 to £1, as it was a gift to the Parish Council from East Riding of Yorkshire Council. This change was requested by the external auditor.

3 Issues

3.1 Various bits of data are missing e.g. dates of acquisition and current value. Including determining whether an item with a proxy value of £1 needs an actual current valuation

3.2 A policy for determining current valuation need to be produced.

3.3 To comply with the Transparency Code (See Appendix 2) the acreage of land owned needs to be added.

3.4 There is conflict between the 'Governance and Accountability for Local Councils' & 'The Transparency Code' regarding what values should be on the register. The former is explicit that the register should only contain original values, whilst the Transparency Code requires both original & current value.

3.5 When allotments have been let, these have been added to the asset register but the underlying asset has not changed, e.g. see allotment at Swineridge. Clarification is required to determine whether this is appropriate.

3.6 It is not clear whether asset values include or exclude VAT. (Additions include VAT)

4. Decision Required

- 3.1 Members are asked to review and approve the Register of Assets as at 29th March 2017 as set out in Appendix 4.
- 3.2 Members are asked to ensure all issues are resolved by March 2018

Judith Roberts
Clerk to the Council

APPENDIX 1

Governance and Accountability for Local Councils A Practitioners' Guide (England) March 2014 – Extracts

Accounting for Fixed Assets

3.66 This section covers the arrangements in respect of the acquisition, maintenance and eventual replacement of those items of a capital nature where values tend to be high and which have a useful life of more than one year. These items are usually described as fixed assets (or more frequently now as non-current assets) and comprise the sum of land, buildings, equipment, plant and vehicles etc.

3.67 Long-term investments (see paragraphs 2.29 to 2.37) are assets and must also be accounted for in the asset register. See paragraph 3.47 to 3.54 on how to report long-term investments.

3.68 Fixed assets acquired in any year must be added to the asset register for management purposes. For accounting purposes, however, acquisitions and disposals of fixed assets must be treated as any other purchase or sale and recorded as part of annual receipts or payments, expenditure or income.

3.69 Once recorded on the asset and investments register, the recorded value of assets and investments must not change from year to year until disposal.

Commercial concepts of depreciation, impairment adjustments, etc. are not appropriate for local councils. For reporting purposes therefore, the 'book' value of fixed assets will stay constant throughout their life until disposal.

3.74 Most assets will be first recorded in the asset register at their actual purchase cost. In some cases the purchase cost may not be known and a proxy cost should be substituted. A proxy cost is a value for the asset which is estimated by the council based on external advice. Councils may apply the insurance value of the asset at the time of first recording as a proxy. Whether actual or proxy cost is used, for accounting purposes the first recorded value of the asset will not change throughout its life.

3.75 Whatever asset valuation basis is applied, the method used (actual or proxy) should be recorded in the asset register. If for some reason the council decides that the basis of valuation is to be changed, the change should be applied consistently to all fixed assets. In such an event, the value shown in Box 9 of the annual return for the previous year should also be changed to the same new basis and clearly marked as 'RESTATED'. The council should provide a justification and explanation for the change to the external auditor.

3.76 In the special case where a local council receives an asset as a gift at zero cost, for example by transfer from a principal authority under a community asset transfer scheme, the asset should be included in the asset register at cost. However, it is strongly recommended to ensure that such assets are always disclosed in Section 1, Box 9 of the annual return councils should assign a nominal one pound (£1) value as a proxy for the zero cost. The use of the £1 proxy is particularly important in cases where a council operates an asset registration system that requires a positive value for every asset. Any costs of bringing gifted assets into productive use should be expensed as revenue items.

3.77 Many councils own assets that do not have a functional purpose or any intrinsic resale value (for example, a village pond or war memorial). These assets are often referred to as 'community assets'. Councils should record community assets in the assets register in the same way as gifted assets (see 3.76 above).

APPENDIX 2

Extract from ERNLLCA - Advisory Note 047 - Transparency Code

Details of land, buildings and assets held. Publication of the Asset Register will suffice and must include:

- Description (and size or acreage of land)
- Location
- Whether Council is owner or custodian
- Date of acquisition
- Cost at acquisition (or proxy value)
- Present value

Millington cum Givendale Parish Council - Asset Register

Ref	Item	Location	Owned/ custodian	Date acquired	Date disposed	Cost / proxy value at acquisition	Present value
001	Piece of land designated for children's playground	Off Clay Lane, Millington	Disposed		Dec 05		N/A
002	Piece of land designated for amenity area, known as Swineridge View	Top of The Balk, Millington	Owned			£1.00	
003	Allotment 1a	Alongside The Balk on NE side, from the top of the field to the reservoir	Owned			£1.00	
004	Allotment 2	Alongside The Balk on NE side, at bottom end	Owned			£1.00	
005	Grass trimmer	Cllr Willoughby's home	Disposed		Mar 17		N/A
006	Metal seat	Top of Church Lane, Millington	Owned			£160.00	£160.00
007	Reservoir site	Alongside The Balk on NE side, between allotment 1b and allotment 2	Owned			£1.00	
008	Wooden seat	Within Swineridge View	Owned				£50.00
009	Viewing board	Within Swineridge View	Owned	Aug 05		£422.00	£500.00
010	Allotment 3	Within Swineridge View, to SE side	Owned	Apr 07		£1.00	
011	Bunting	Home of Cllr Willoughby	Owned	Sep 09		£137.50	£140.00
012	Mini gritter	Garage of resident Margaret Fox, Millington	Owned	Feb 11		£419.99	£420.00
013	Allotment 1b	Alongside The Balk on NE side, from the reservoir down to Allotment 2	Owned	Sep 12		£1.00	
014	Projector	Clerk's Home	Owned	Nov 15		£1.00	£250.00
015	Laptop & Case	Clerk's Home	Owned	Feb 16		£417.19	£417.19
016	Wifi Booster	Cllr Willoughby's home	Owned	Mar 16		£49.99	£49.99
	TOTAL					£1,613.67	