

Fixed Asset Capitalisation Policy

Introduction

Local councils must maintain an asset register to ensure fixed assets are appropriately safeguarded. Once recorded on the asset register at acquisition cost, the value of assets must not change from year to year until disposal. Concepts of depreciation and impairment adjustments are not appropriate for local councils.

The Register is confirmed by the Council at the end of each financial year but is a working document over the following financial year, during which Council Officers will update and amend details as necessary.

The definition of fixed assets are property, plant, and equipment with a useful life of more than one year used by the Council to deliver its services.

Purpose

A Fixed Asset Register has four main purposes:

- It forms a basis for completion of box 9 in the 'Annual Return'.
- It forms a 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 continues existence of Council's property.

Items for Inclusion

In order to ensure transparency and reasonableness, 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, and machinery
- assets considered to be portable, attractive or of community significance
- other assets estimated or known to have a minimum purchase or resale value of £250
- long term investments, shares and loans made by the Council
- assets held on trust

Any fixed asset with an acquisition cost of less than £250 or will be entered on the Council's inventory list maintained by the RFO; this document will also be confirmed by the Council at the end of the financial year.

Version	Date Approved	Amendments Made	Next Review Date
V1	13/12/2021		11/04/2022
V2	19/04/2022		11/04/2023
V3	11/04/2023		April 2024