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## ASSET MANAGEMENT POLICY AND PROCEDURE

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**CHIGWELL PARISH COUNCIL  
ASSET MANAGEMENT POLICY AND PROCEDURE  
ADOPTED BY FULL COUNCIL ON THURSDAY 25 JUNE 2026**

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## 1. Background

1.1 Chigwell Parish Council is required to maintain an Asset Register to ensure that its fixed assets are properly safeguarded, managed and accounted for. Fixed assets (non-current assets) include items of a capital nature with a useful life exceeding one year, which are used by the Council in the delivery of its services.

1.2 This policy is aligned with the requirements set out in *Governance and Accountability for Local Councils: A Practitioner's Guide (England)*.

1.3 All assets acquired by the Council must be recorded in the Asset Register for management, control and audit purposes.

1.4 The Council's Financial Regulations (Section 14) set out responsibilities relating to the custody and control of Assets, Properties and Estates.

## 2. Scope of the Asset Register

### 2.1 Included Assets

To ensure transparency and accountability, the following assets shall be recorded in the Asset Register, whether purchased, gifted or otherwise acquired, together with their location:

- Land and buildings held freehold or on long-term lease in the name of the Council
- Community assets
- Vehicles, plant and machinery
- Assets which are portable, attractive or of community significance
- Assets with a purchase or resale value of £250 or more
- Long-term investments, shares and loans made by the Council

### 2.2 Purpose

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The values recorded in the Asset Register will inform the “Total Fixed Assets” figure reported in the Council’s Annual Governance and Accountability Return (AGAR).

### 2.3 Excluded Assets

The following items are excluded from the Asset Register:

- Property held on short-term lease or rental
- Property maintained but not owned by the Council
- Assets rented by or loaned to the Council
- Stock items held for resale
- Consumables (e.g. stationery)
- Floor or land surfaces and drainage systems
- Plants and trees
- Assets valued below £250 (unless otherwise significant)
- Repairs and maintenance costs
- Cash, short-term investments and other current assets
- Intangible assets (e.g. software licenses, domain names)
- Liabilities (e.g. loans, creditors or provisions)

2.4 A Schedule of Disposals shall be maintained alongside the Asset Register. All asset disposals must be undertaken in accordance with Section 6 of this policy.

### 3. Valuation of Assets

3.1 Once an asset is recorded in the Asset Register, its value shall not be altered annually. Depreciation and impairment adjustments are not applied in local council accounting.

3.2 Assets shall be valued using one of the following methods:

- Purchase cost (net of VAT where VAT is recoverable)
- Purchase cost (gross of VAT where VAT is not recoverable or status is unclear)

3.3 Where the original purchase cost cannot be identified:

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- An insurance valuation may be used; or
- A nominal value of £1 may be applied (e.g. for gifted assets)

3.4 In exceptional circumstances such as where land or buildings have undergone substantial redevelopment, a professionally assessed market valuation may be used instead.

### **4. Maintenance of the Asset Register**

#### 4.1 Additions

The Asset Register shall be reviewed annually, starting from the previous Council year's approved version. Financial documents shall be examined to identify:

- Newly purchased assets
- Assets received as gifts

All qualifying assets must be added to the register at the appropriate value.

#### 4.2 Disposals and Transfers

Financial documents and Council records shall be reviewed to identify:

- Sold, disposed of or lost assets

These must be:

- Removed from the Asset Register
- Entered into the Schedule of Disposals

The register shall also record any assets loaned out, including borrower details, location and expected return date.

#### 4.3 Verification (Asset Inspection)

The Council shall conduct periodic physical verification inspection of assets to confirm their existence and condition. Any discrepancies must be investigated and recorded appropriately.

#### 4.4 Review and Approval

The Asset Register, Schedule of Disposals and this Policy shall be reviewed annually and approved by Full Council.

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

5.1 The Asset Register shall include a column recording the replacement value of assets for insurance purposes.

5.2 The Council's insurers shall be informed using replacement values rather than purchase cost values.

5.3 Buildings and insurable assets must be professionally reviewed at least every five years to ensure adequate insurance cover is maintained.

### **6. Asset Disposal Procedure**

#### 6.1 Authorisation

All asset disposals shall be referred to the Community Services and Assets Committee for consideration and recommendation.

- Assets with a value exceeding £500 must be approved by Full Council
- Final decisions remain the responsibility of Full Council

#### 6.2 Financial Control and Recording

- All proceeds from disposals belong to the Council
- Income must be properly recorded and reported
- All disposal decisions must be documented to support audit and accountability

#### 6.3 Value for Money

Disposal decisions must ensure best value for the Council, considering:

- Current market value

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- Condition and age of the asset
- Remaining useful life

Where appropriate, external valuation (e.g. for IT equipment) should be obtained. All data-bearing devices must be securely wiped before disposal.

### 6.4 Reasons for Disposal

Assets may be disposed of where they are:

- Obsolete or no longer required
- Surplus due to operational changes
- Inefficient or uneconomical to maintain
- Non-compliant with health and safety requirements
- Beyond economic repair

A written justification must accompany all disposal requests.

### 6.5 Disposal Methods

Assets may be disposed of by:

- Sale (including public tender)
- Donation to community organisations
- Recycling or scrapping

The chosen method should reflect value, condition, and administrative practicality.

### 6.6 Sale by Tender

- Sales shall be advertised appropriately
- Sealed bids must be obtained
- At least two officers shall oversee the process
- Payment must be received in full prior to release
- Assets are sold "as seen" with no warranty

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### 6.7 Sale to Officers and Councillors

The sale of Council assets to Officers and Councillors is not permitted, to avoid conflicts of interest and ensure fairness.

### 6.8 Donations

Where assets have little or no resale value, they may be donated to local:

- Charities
- Schools
- Voluntary organisations

All donations must be approved by Full Council.

### 6.9 Scrap Disposal

Assets may be scrapped where:

- Their value is negligible; or
- The cost of sale exceeds the likely return

### 6.10 Disposal Records

- An Asset Disposal Form must be completed for every disposal
- The Parish Clerk / Responsible Financial Officer (RFO) is responsible for updating the Asset Register
- All disposals shall be recorded in the Asset Disposals Register for audit purposes.

## **7. Asset Management Procedure (Operational Framework)**

The following procedure supports the implementation of this Policy and should be read in conjunction with Sections 1–7 above.

### **7.1 Purpose**

The Council has adopted an Asset Management Procedure to support this Policy and ensure robust governance, internal control, and effective stewardship of all Council assets.

This procedure is designed to:

- Protect Council assets and infrastructure
- Maintain accurate and up-to-date asset records
- Ensure assets are properly maintained and insured
- Reduce exposure to financial, operational, and reputational risk
- Support long-term sustainability and financial planning
- Strengthen governance, accountability, and internal control

The Council recognises that effective asset management is essential to safeguarding public property, maintaining service delivery, and protecting public funds.

### **7.2 Scope**

This procedure applies to all Council-owned assets recorded within the Asset Register, including (but not limited to):

- Land and buildings
- Community facilities and halls
- Cemetery infrastructure and associated equipment
- Street furniture, play equipment, and public realm assets
- Vehicles, plant, and machinery
- Office and operational equipment

### 7.3 Governance Framework

The Council shall maintain effective asset management arrangements including:

- A current and accurate Asset Register
- Defined verification and inspection processes
- Planned maintenance and repair regimes
- Adequate insurance cover based on replacement value
- Clear approval processes for acquisition and disposal
- Ongoing financial monitoring

These arrangements support compliance with the Council's Financial Regulations and the Practitioners' Guide.

### 7.4 Roles and Responsibilities

#### Full Council

- Approval of asset acquisitions and disposals
- Strategic oversight of Council assets
- Approval of asset-related policies and plans

#### Finance and Governance Committee

- Monitoring asset risks, insurance, and maintenance
- Reviewing asset-related expenditure
- Oversight of asset governance arrangements

#### Clerk and Responsible Financial Officer (RFO)

- Maintaining the Asset Register and disposal records
- Coordinating verification and inspections
- Monitoring insurance adequacy
- Reporting material risks and issues

## Operational Officers

- Reporting defects and maintenance issues
- Supporting inspections and verification exercises
- Monitoring asset condition in operational use

## 7.5 Asset Verification and Inspection

The Council shall undertake periodic asset verification to:

- Confirm the existence of assets
- Verify location and condition
- Identify damage, loss, or discrepancies

Verification shall include:

- Physical inspection (where practical)
- Reconciliation against the Asset Register
- Investigation and resolution of discrepancies

Verification outcomes shall be documented and reported as part of governance and audit requirements.

## 7.6 Asset Maintenance

The Council shall maintain both planned and reactive maintenance arrangements to:

- Protect asset condition
- Ensure public safety
- Reduce long-term costs
- Maintain operational continuity

Maintenance planning will consider:

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- Asset condition and age
- Health and safety requirements
- Operational use and importance
- Budget and lifecycle considerations

### 7.7 Cemetery Asset Management

Cemetery assets are subject to enhanced operational and regulatory controls due to their specialist nature.

These may include:

- Burial land and infrastructure
- Memorial safety and inspection arrangements
- Pathways, drainage, and boundary structures
- Operational equipment and machinery

The Council shall ensure compliance with:

- Relevant burial legislation and regulations
- Health and safety requirements
- Memorial safety inspection guidance

Additional controls shall be applied where public safety risks are identified.

### 7.8 Insurance and Risk Management

The Council shall review insurance arrangements annually in accordance with Section 5 of this Policy.

The review shall consider:

- Asset replacement values
- Inflation and rebuilding costs
- Newly acquired or disposed assets
- Emerging operational risks

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The Council shall monitor risks including:

- Asset loss or theft
- Underinsurance
- Asset deterioration
- Maintenance backlog
- Health and safety risks

### 7.9 Financial Planning

Asset management shall support the Council's financial planning processes by informing:

- Budget setting
- Reserve allocation
- Long-term capital planning
- Maintenance forecasting

The Council may maintain internal planning tools (such as indicative depreciation or lifecycle planning) for management purposes, noting that these do not replace statutory accounting requirements.

### 7.10 Internal Control

The Council shall maintain appropriate internal controls, including:

- Separation of duties where practical
- Audit trails for acquisitions and disposals
- Supporting documentation retention
- Independent review through internal audit

This ensures compliance with governance, audit, and accountability requirements.

### 7.11 Records Management

Asset-related records shall include:

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- Asset Register
- Inspection and verification records
- Maintenance logs
- Insurance schedules
- Disposal records

Records shall be:

- Securely maintained
- Available for audit
- Retained in accordance with Council retention policies

### 7.12 Monitoring and Review

The Finance and Governance Committee shall monitor:

- Asset risks
- Maintenance planning
- Insurance adequacy
- Asset-related expenditure

This procedure shall be:

- Reviewed annually alongside this Policy at the annual meeting of the full council.
- Updated in response to operational or legislative changes

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**Appendix A: Asset Disposal Form**

Form to be completed by Parish Clerk and presented to the Full Parish Council  
in line with the Asset Management, Retention and Disposal Policy.

**List of Assets to be Disposed:**

Asset reference serial number	Description	Location	Purchase Date	Original Cost	Disposal Value

Reasons for Disposal

**Method of Disposal:**

Scrapped		Sold		Donated	
<b>Additional Information:</b>  					

Date of Disposal		Minute Reference	
<b>Authorising Officer and Position Held</b> (Sign and Print Name)			