



Fairford Town Council

Asset Valuation Policy

1. Introduction

Fairford Town Council (the "Council") is committed to managing its assets responsibly, ensuring that they are accurately valued for financial reporting, decision-making, and asset management purposes. This policy outlines the principles, methods, and processes by which the Council will assess the value of its assets to ensure compliance with relevant standards and maintain transparency in its financial operations.

2. Purpose

The purpose of this policy is to provide a framework for the valuation of all assets held by Fairford Town Council, including but not limited to land, buildings, equipment, and intangible assets. Accurate asset valuation ensures proper financial reporting, enables effective management of Council-owned properties, and supports prudent decision-making in line with the Council's objectives.

3. Scope

This policy applies to all assets held by the Council, whether tangible or intangible, and includes both current and non-current assets. It covers the valuation of assets at acquisition, disposal, and at regular intervals as deemed necessary.

4. Objectives of Asset Valuation

- To ensure accurate and up-to-date valuation of the Council's assets.
- To comply with all applicable financial reporting standards and regulations.
- To maintain proper financial records reflecting the current value of the assets.
- To support decision-making regarding the management, maintenance, and disposal of assets.
- To assess insurance needs and ensure assets are adequately insured.

- To assist in future budgeting and strategic planning.

5. Valuation Methods

The Council will adopt the following valuation methods, in line with the nature of the asset:

- **Historical Cost:** Assets acquired by the Council will be recorded at their historical cost, including purchase price and any associated costs necessary to bring the asset into operational use where possible. This method will be used for most tangible assets, such as equipment, furniture etc.
- **Market Value:** Where applicable, particularly for assets such as land or commercial property, market value based on recent comparable sales or market trends will be used.

6. Frequency of Asset Valuation

The Council will undertake a formal review and valuation of its assets annually, with Land & buildings being valued at least every 5 years.

7. Independent Valuation

Where necessary, particularly for complex or specialized assets, the Council will engage an independent professional valuer with relevant qualifications and experience. This is particularly important for high-value or non-standard assets, such as historic buildings, heritage sites, or large land holdings.

8. Record-Keeping and Documentation

The Council will maintain up-to-date records of assets

These records will be available for review by relevant stakeholders, including auditors, Council members, and the public, as per transparency requirements.

9. Asset Impairment

If any asset experiences significant impairment, either due to physical damage, obsolescence, or a drastic reduction in market value, the Council will review the asset's carrying value and adjust it accordingly. This will be recorded as an impairment loss in the Council's financial statements.

10. Disposal of Assets

Before disposing of any asset, the Council will perform an asset valuation to ensure the appropriate disposal method is used, whether through sale, donation, or other means. The proceeds from asset disposal will be recorded and allocated in accordance with the Council's financial strategy.

11. Compliance

This policy is in compliance with the following:

- Local Government Act 1972
- The Code of Practice on Local Authority Accounting in the United Kingdom
- Financial Reporting Standards (FRS)
- Relevant guidance from HM Treasury or other relevant authorities

12. Policy Review

This policy will be reviewed at least every two years or when there are significant changes in asset management practices, valuation standards, or financial regulations. The review process will ensure that the policy remains relevant and effective.

13. Conclusion

Fairford Town Council is committed to ensuring that its assets are accurately valued and properly managed. This policy provides the framework necessary to achieve this objective and ensure responsible stewardship of public resources.

Approved

11th March 2025

Chairman.....