

Avebury Parish Council

Discussion note: Draft policy on disposals and depreciation

Comments on this draft will be very welcome.

Avebury Parish Council (APC) maintains a record of its physical assets in an asset register. The value of its assets is shown at their historic cost at acquisition, if known, or at APC's best estimate if unknown.

From time to time, APC needs to dispose of some of these items. Historic costs will rarely be relevant and APC therefore has to decide the value at which assets should be sold or donated. This paper proposes a policy and procedure for such disposals.

Land and buildings

[APC owns the play area at Trusloe, and the Beckhampton bus shelter!]

In the case of land and buildings, APC will consider whether a disposal could bring other benefits to the community if sold at a discounted price. APC will assess the value of those benefits to arrive at a discounted price.

If no community benefits would be forthcoming, APC will obtain a valuation and seek to sell the asset at market value.

All other assets

In the case of all other assets, it is proposed that APC will:

1. First, check that the item concerned is actually owned by the Parish, and is not on the register in error. *[Goal posts on the Sports-field are a current example that are owned by AYFC.]*
If an asset should not be on the register, APC will contact the owner to agree ownership and, following agreement, resolve at an ordinary meeting to remove the asset from the register.
2. Second, check whether the item concerned is held by APC on behalf of a third party or user *[such as tables and chairs in the pavilion for the use of the sports-field]*, or is owned by APC to provide a direct benefit for all parishioners *[such as the two park benches by Big Arch Bridge which are for the use of any member of the public.]*
In the former case, the APC's primary role is to act as a 'trustee' for another body by holding assets on behalf of it, and the 'value' of the asset is for the benefit of that body rather than APC. In these cases, APC would in the normal course of events agree future ownership with the user concerned and resolve to donate the item concerned, or sell it for a discounted price or for a nominal sum such as £1.
3. In some cases, APC may receive a gift that is made to 'Avebury' or to a local user, and APC receives it on behalf of the community. *[An example would be the glass engraving in the Social Centre.]* Other assets could include items

that have not been financed through APC's precept but bought following local fund-raising efforts. *[Catering equipment in the pavilion is an example where members of ASA/ACSReC raised the purchase money.]* Again, in these cases, APC would in the normal course of events resolve to donate the items to the user concerned or sell them at a discounted price or nominal sum such as £1.

4. Where other external and internal furnishings, equipment and other assets have been partly or wholly financed from the precept, APC will assess the average likely life of the asset and will depreciate its historic value by:
 - a. 25% (?) on a straight line basis in the case of external machinery, powered equipment and other similar items
 - b. 15% (?) over the life of the item on a reducing balance basis (?) or straight line basis (?) for all other assets.

APC will also assess the likely market value of the asset and take any other relevant considerations into account. APC will then take a view on the benefits for parishioners in selling at market, depreciated or other value, and resolve to do so.

5. If APC believes that a purchaser may pay more than the disposal values in paras 2-4 above, the PC will sell at a higher value.
6. Insurance values will differ from the values shown in the asset register.

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