

<b>Review of the Council's Assets Register</b>	
<b>Executive Summary</b>	This report is being presented to this committee in response to the request to include a review of the Council's Assets Register in the Work Programme of this Committee on an annual basis.
<b>Options considered</b>	As this is the presentation of factual content there were no other options considered.
<b>Consultation(s)</b>	Section 151 Officer
<b>Recommendations</b>	<b>It is recommended that the Committee note the contents of the report and the exempt Appendix A</b>
<b>Reasons for recommendations</b>	To enable the Committee to review the Council's Assets Register as requested and discuss any matters arising from the content.
<b>Background papers</b>	None

<b>Wards affected</b>	All
<b>Cabinet member(s)</b>	Cllr Lucy Shires
<b>Contact Officer</b>	Tina Stankley, 01263 516439, <a href="mailto:tina.stankley@north-norfolk.gov.uk">tina.stankley@north-norfolk.gov.uk</a>

<b>Links to key documents:</b>	
Corporate Plan:	Financial Sustainability and Growth – The Council produces its accounts each year so that it can demonstrate how resources have been used. The valuation of the Council's non-current assets is part of this process with many of the valuations being based on existing use.
Medium Term Financial Strategy (MTFS)	There are no direct financial implications surrounding the valuation of the Council's non-current assets.
Council Policies & Strategies	None

<b>Corporate Governance:</b>	
Is this a key decision	No
Has the public interest test been applied	N/A

Details of any previous decision(s) on this matter	None
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## 1. Purpose of the report

- 1.1. This report presents the Council's Assets Register that is kept for accounting purposes. It is summarised in the exempt Appendix A and gives the closing net book values for the Council's non-current assets as at 31 March 2024.

## 2. Introduction & Background

- 2.1. The primary purpose of the Asset Register is to keep a record of all transactions relating to the Council's non-current assets and to enable all the year-end accounting entries that need to be made in the General Ledger to be carried out.
- 2.2. The year-end values of the non-current assets appear on the Balance Sheet in the Statement of Accounts against the headings Property, Plant and Equipment, Investment Properties, Intangible Assets and Assets Held for Sale. The Appendix gives the values as at 31 March 2024, and the values are those which are included in the latest audited set of accounts.
- 2.3. Section 2 below gives a summarised explanation of how the values that appear in the Balance Sheet within the Statement of Accounts are calculated each year.

## 3. Categorisation of Non-Current Assets and Methods of Valuation

- 3.1. The Council prepares its Accounts in line with the CIPFA Code of Practice for Local Authority Accounting and in accordance with all relevant Accounting Standards. In doing so the Council's non-current assets are valued in several different ways depending on their usage categorisation. The categories of assets that are included in the Statement of Accounts (SOA) and the method of valuation are shown below.

Non-current Assets – the value they are carried at in the Balance Sheet and where they can be found in notes to the accounts

Asset Category	SOA location	Valuation method
Operational Property, Plant and Equipment	PPE note 30	Current value to the authority in their existing use
Non-operational assets i.e. Surplus Assets and Assets Under Construction	PPE note 30	Fair value (Surplus Assets) & historical cost (AUC)
Infrastructure Assets	PPE note 30	Depreciated historical cost
Community Assets	PPE note 30	Historical Cost or valuation

Investment Property	Investment Property note 27	Fair value
Assets Held for Sale	Assets Held for Sale note 32	Lower of carrying amount or fair values less costs

3.2. Only those non-current assets that are carried at current and fair value are required to be formally revalued and must be done so at least every five years (although more frequent valuations may be required for investment properties).

3.3. The Accounting Standards that the Council complies with are adapted and interpreted differently for the Public Sector and so there are several different methods of valuation which might not be applied in the private sector. This is because in local authorities assets are held primarily to enable service delivery. This means that the Council's Operational Property, Plant and Equipment is not measured at fair value (essentially highest market value) but it is measured for its service potential (and not at fair value) either at:

- Existing use value
- Existing use value – social housing (not applicable to NNDC as it does not hold social housing stock)
- Depreciated replacement cost – where there is no market, or the asset is specialist e.g. a leisure centre.

3.4. Operational Property, Plant and Equipment is further categorised as:

- Other Land and Buildings
- Vehicles, Plant and Equipment
- Infrastructure
- Community Assets

3.5. Non-operational Assets are further categorised as:

- Surplus Assets
- Assets Under Construction

3.6. There is another category of non-current assets, and this is Intangible Assets, and these are non-physical assets held by the Council. These are primarily Computer Software. The values on the Balance Sheet are based on acquisition cost or development cost. The value of these non-assets at 31 March 2024 was £0.788m and are shown in Note 29, page 68 of the audited Statement of Accounts for 2023/24 which are available on the Council's website.

3.7. Accounting for the Council's non-current assets is one of the more technical areas of work that the Finance Team undertake, and this is largely due to the adaptations of the valuation methods that are applied in valuing the Council's non-current assets.

3.8. Whilst the Balance Sheet carries the values of the Council's non-current assets it should be recognised that they are not necessarily valued following the same conventions that are applied in the private sector. This does mean that the values are not always comparable with the values of non-current assets held in the private sector. One such readily identifiable example would

be a house which would be valued based on existing use for social housing in a local authority's accounts but at market value in the private sector.

#### **4. Corporate Priorities**

4.1. Financial Sustainability and Growth – The Council produces its accounts each year so that it can demonstrate how resources have been used. The valuation of the Council's non-current assets is part of this process with many of the valuations being based on existing use.

#### **5. Financial and Resource Implications**

5.1. There are no direct financial implications surrounding the valuation of the Council's non-current assets.

#### **6. Legal Implications**

6.1. The Council will have complied with the CIPFA Code and relevant Accounting Standards in valuing the Council's non-current assets and in doing so as part of the preparation of the Statement of Accounts each year will have met the statutory requirement to publish its audited Statement of Accounts.

#### **7. Risks**

7.1. None as a direct consequence of this report.

#### **8. Net Zero Target**

8.1. None as a direct consequence of this report.

#### **9. Equality, Diversity & Inclusion**

9.1. None as a direct consequence of this report.

#### **10. Community Safety issues**

10.1. None as a direct consequence of this report.

## **11. Conclusion and Recommendations**

The values contained in the Exempt Appendix are the ones included in Balance Sheet of the Statement of Accounts for 2023/24. There are notes within the Statement of Accounts which give more information about the assets. All the assets are valued and accounted for in accordance with CIPFA Code of Practice for Local Authority Accounting and in accordance with all relevant Accounting Standards.