

ASSET REGISTER REVIEW

Summary:	This report provides a review of the Council's asset register, as requested by the Committee. This report provides the basis for the regular review of assets by the Committee, and as such is a work in progress which will be expanded upon over time as new information becomes available.
Options considered:	No actions are requested as a direct consequence of this report, but in the future the detail within may be used to help inform decision making processes around the retention of the Council's assets.
Conclusions:	The Council's assets should be regularly reviewed to ensure they generate a service or other benefit to the District, and that they are financially sustainable.
Recommendations:	That the Committee note the contents of the report and appendices.
Reasons for Recommendations:	To enable more effective Member scrutiny of the Council's assets

LIST OF BACKGROUND PAPERS AS REQUIRED BY LAW

(Papers relied on to write the report, which do not contain exempt information and which are not published elsewhere)

Cabinet Member(s)	Ward(s) affected
Eric Seward	All

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1. Introduction

- 1.1 This report delivers on the Committee's request for an Asset Register Review to take place.
- 1.2 Exempt Appendix A shows details of the Council's Land and Building assets, along with their current valuations. More information will be added to show planned expenditure on repairs and maintenance, as well as any leased assets which are not currently listed here.
- 1.3 As part of the production of the Council's Capital Strategy annually in February, it is recommended that more detailed information is included with respect to the condition of the Council's assets to enable their long term viability to be better assessed. Condition surveys may be commissioned on larger assets.

This is a 'work in progress' and will be available in the coming months. The Estates team are working on production of an updated Asset Management Plan, which will link in with these documents.

2. Categories of Assets

- 2.1 The Council holds assets which fall into the following categories:

Property, Plant & Equipment (PPE)

Other Land & Buildings (OLB) – Operational buildings and land assets

Vehicles, Plant & Equipment (VPE) – mainly Council vehicles, waste bins and other smaller assets which have a physical substance.

Community Assets – Assets which the Council holds as they are deemed to be of value to the local community.

Surplus Assets – Assets the Council has earmarked as surplus to operational requirements

Infrastructure Assets – often coastal or foreshore related i.e. works to the promenade etc

Assets Under Construction – Assets which are not yet in the condition required by management to undertake their function. At the year end, an assessment is undertaken of all assets in this class. If any are deemed complete, then they are transferred into another category.

Other classifications

Investment Properties – properties which are held solely for the use of gaining rental income and capital appreciation.

Intangible Assets – these are mostly software and other assets which do not have a physical substance.

Held for Sale – these are assets the Council is actively marketing and has reason to believe will be sold in the next 12 months.

- 2.2 Leased assets are shown in the category they are most relevant to.

3. Accounting policies and valuations

- 3.1 The Accounting Policies relating to the Council's assets are detailed in full in the Council's annual Statement of Accounts, which are published on the website.

- 3.2 The Council has adopted the policy of revaluing PPE – Other Land and Buildings every 5 years, initially recognising the assets at cost. This is done on a rolling basis, so that in each year a part of the portfolio is revalued. Assets classed as Investment Properties are revalued annually. All valuations are undertaken by an external valuer, currently Wilks Head & Eve. With the exception of Investment Properties, the Council's assets are not valued at Fair Value, which means the values listed are not indicative of the proceeds the Council could expect to receive if an asset was sold.

- 3.3 The Net Book Value of the assets in each class at 31 March 2021 per the draft Statement of Accounts 2020-21 is shown below

Asset Class	Net Book Value (£000s)
Other Land and Buildings	39,260
Vehicles, Plant and Equipment	6,582
Infrastructure Assets	5,924
Community Assets	1,942
Surplus Assets	31
Assets Under Construction	15,218
<i>PPE Total</i>	<i>69,127</i>
Intangible Assets	1,076
Held for Sale	1,165
Investment Properties	842
<i>Assets Total</i>	<i>72,210</i>

4. Conclusion

It is recommended that the contents of this report are noted, along with the data concerning specific assets attached at Appendix A.

5. Implications and Risks

There are reputational and financial risks to the Council if its assets are not properly maintained. If the Council fails to repair and maintenance obligations, it may be seen as an undesirable tenant or landlord.

6. Financial Implications and Risks

Upkeep of assets represents a financial cost to the Council. Keeping repair and maintenance obligations under active review is essential for financial planning and to ensure the Council has sufficient funds available to meet its obligations. Proactive repairs and maintenance will also cost the Council less in the longer term than allowing properties to deteriorate.

7. Sustainability

Ensuring the long term viability of the Council's assets is a key activity, and reducing the environmental impact of the Council's operations and buildings is an objective of the Environment, Property Services and Estates teams. Regular review of the Council's portfolio will allow underperforming assets to be targeted.

8. Equality and Diversity

None as a direct consequence of this report.

9. Section 17 Crime and Disorder considerations

None as a direct consequence of this report.