

# Nottingham City Council Delegated Decision



**Nottingham**  
**City Council**

<b>Reference Number:</b>	4801
<b>Author:</b>	John West
<b>Department:</b>	Growth and City Development
<b>Contact:</b>	John West (Job Title: Estates Surveyor, Email: john.west@nottinghamcity.gov.uk, Phone: 01158763086)
<b>Subject:</b>	Asset Revaluation Programme 2022-2023
<b>Total Value:</b>	Up to £500,000 (Type: Revenue)
<b>Decision Being Taken:</b>	1) To approve the expenditure to undertake the Asset Revaluation Programme 2022-23;2) To approve the procurement of a supplier(s) to provide property valuation services for the above mentioned programme through a framework agreement, in line with the Public Contract Regulations (2015) and Contract Procedure Rules;3) To delegate authority to the Director of Economic Development & Property to award the contract(s).

**Reasons for the Decision(s)**

Nottingham City Council is required to complete a revaluation exercise of its operational and non-operational land and property assets in order to complete annual financial statements. This is a Statutory requirement in accordance with the Code of Practice on Local Authority Accounting, and International Financial Reporting Standards (IFRS). These assets include Investment Properties, Surplus Assets, Assets Held for Sale, Council Dwellings, Operational Property, and Specialised High Value Plant and Equipment. The valuations have a required date of 31st March 2023 and are completed on two principles, being Fair Value or Existing Use Value. The Council holds controls a wide variety of property types and in various locations which requires specialist external input. In order to achieve completion of this programme in a timely manner to meet the Statutory financial deadlines for reporting, as well as sourcing the specialist and technical expertise needed for the exercise, additional resource to supplement the council's in-house Property / Valuation team is required. The Capital Accounting Teams have

produced a list of assets which require valuation. Some of these will be best placed to be undertaken by in-house valuers for expertise, cost, or knowledge purposes, and the rest, expected to be up to 500, will require being completed by external valuers. Currently there are only 3 RICS Registered Valuers on the permanent staff, and 4 Chartered Surveyors in total. There is insufficient resource to take on this additional work whilst maintaining a satisfactory focus on revenue generation through management of the Investment Portfolio and Property Trading Account, and the Capital Receipt / Disposals programme. Relevant skill and expertise is also lacking with regard to certain assets needing to be valued. For reference and clarity, HRA Beacon properties require restatement, and it is proposed to use consultants to advise in this process. A separate standalone approval, including comments from Housing Finance colleagues will be submitted. Properties requiring specialist valuation by the Depreciated Replacement Cost Method will also be completed by an external valuer, as approved in Delegated Decision 4377, and is not included in this decision. This is noted here for information only.

**Briefing notes documents:**

Additional Information Asset Values 2223.docx

**Other Options Considered:**

The other option to consider is sourcing all valuations in-house. This option was rejected as there is not currently enough resource in-house to take on this additional work whilst maintaining a satisfactory focus on revenue generation through management of the Investment Portfolio and Property Trading Account, and the Capital Receipt / Disposals programme. Relevant skill and expertise is also lacking with regard to certain assets needing to be valued.

**Background Papers:**

None

**Published Works:**

None

**Affected Wards:**

Citywide

**Colleague / Councillor Interests:**

None

<b>Consultations:</b>	<b>Those not consulted are not directly affected by the decision.</b>
<b>Crime and Disorder Implications:</b>	<b>There are no Crime and Disorder implications.</b>
<b>Equality:</b>	<b>EIA not required. Reasons: The decision does not relate to Council policy, services or functions.</b>
<b>Social Value Considerations:</b>	<b>Not applicable</b>
<b>Relates to Council Property Assets:</b>	<b>Yes</b>
<b>Decision Type:</b>	<b>Portfolio Holder</b>
<b>Subject to Call In:</b>	<b>Yes</b>
<b>Call In Expiry date:</b>	<b>28/12/2022</b>
<b>Advice Sought:</b>	<b>Legal, Finance, Procurement, Property, Other: Tom Straw(thomas.straw@nottinghamcity.gov.uk)</b>
<b>Legal Advice:</b>	<p><b>This report raises no significant legal issues. The report author proposes to undertaken a Further Competition through the relevant Crown Commercial Services framework agreement. This is in compliance with public procurement rules and the Council's Contract Procedure Rules.</b></p> <p><b>Advice provided by Sarah O'Bradaigh (senior solicitor) on 06/12/2022.</b></p>
<b>Finance Advice:</b>	<p><b>There is no base budget for this work although the need for it has been recognised and it is included within the MTFP for 23/24 onwards. Within 22/23 there is also an acceptance that this work is required and that there are insufficient resources to deliver this work internally. The costs will not exceed £500k and this can be managed within the overall Strategic Assets and Property budget as there is provision for Asset Rationalisation sales revenue pressures which will not be needed this financial year due to timings of sales. Therefore, this expenditure can be contained within current budget and causes no forecast pressure within the division.</b></p> <p><b>Advice provided by Susan Tytherleigh (Senior Finance Manager) on 05/12/2022.</b></p>

**Property Advice:**

**Specialist valuation advice is required for this years asset revaluation programme to ensure the council complies with financial regulations. Resource is required to make sure the strict timelines set are met and the appointment of external valuers will support this. The external valuers will be governed by the Royal Institution of Chartered Surveyors and hold a Registered Valuer accreditation. All valuations will be provided in accordance with the RICS Valuation - Global Standards 31st January 2022 ('The Red Book'). Property colleagues will work with the awarded valuers to supply them with relevant documents and monitor and manage the contracts.**

**Advice provided by Beverley Gouveia (Disposals & Development Manager) on 07/12/2022.**

**Procurement Advice:**

**There are no Procurement issues with the decisions being sought. The Procurement Team will advise to ensure that appointments are made in accordance with Contract Procedure Rules and relevant provisions of the Public Contracts Regulations 2015.**

**Advice provided by Jonathan Whitmarsh (Lead Procurement Officer) on 02/12/2022.**

**Other Advice:**

**As stated in the body of the report Nottingham City Council has a statutory requirement to get it assets valued on an annual or periodic basis as defined by CIPFA. These valuations are a critical part of the Council's accounts and highlighted as an area of risk by the Council's external auditors. This decision is supported by Corporate Finance and is funded as detailed in the financial advice above.**

**Advice provided by Tom Straw (Senior Accountant - Capital Programmes) on 14/12/2022.**

**Signatures**

<b>David Mellen (Leader/ PH Strategic Regeneration Communications)</b>
<b>SIGNED and Dated: 19/12/2022</b>
<b>Sajeeda Rose (Corporate Director of Growth &amp; City Development)</b>
<b>SIGNED and Dated: 19/12/2022</b>