



Belfast City Council

Report to:	Strategic Policy and Resources Committee
Subject:	Tender for Annual Property Asset Revaluations
Date:	19 March 2010
Reporting Officer:	Ronan Cregan, Improvement Manager, Ext 6217
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Relevant Background Information

Local Government Capital accounting requires the value of the Council's property assets to be properly shown in the annual accounts.

The general principles underlying the valuation of local authority assets are no different from those of other assets where there is a requirement to determine their value to the business.

A rolling revaluation programme has been in operation for a number of years whereby approximately 25% of Council's operational assets are discretely valued each year thus achieving a total revaluation of all its operational assets, in line with CIPFA guidance, not exceeding five year intervals.

The financial statements (annual accounts) of local authorities from 2010/1 onwards must be in accordance with the CIPFA IFRS Based Code of Practice on Local Authority Accounting.

Valuations for inclusion in local authority accounts are provided in accordance with RICS Valuation Standards (The Red Book) and must be undertaken by suitably qualified and accredited valuers.

Key Issues

In the past an independent valuer has been appointed on the basis of an annual quotation exercise. The 2009 property asset revaluation exercise concluded a full cycle whereby all Council's operational assets have been discretely valued in the past four years.

Following current RICS best practice guidance it is now proposed to award a contract on the basis of a four year term that will once again provide Council with annual property asset assessments. This approach will provide continuity in providing discreet assessment of all Council's operational assets within the term of the contract.

In line with the Council's Procurement Policy, tenders will be invited from professionally qualified valuers with experience in the field of property asset valuations.

The Committee is asked to note that evaluation criteria of the tenders will be based on both cost and quality with a contract awarded on to the most economically advantageous tender.

Resource Implications

Financial

Based on historical information the estimated cost for this service over the four year cycle is likely to be well below the EU threshold requirement for European advertising. Provision for this expenditure has already been included in Financial Services annual budget.

Human Resources

There are no additional human resource implications for Council over those already committed to completion of this annual exercise.

Asset and Other Implications

None

Recommendations

The Committee is requested to approve the commencement of this tendering exercise and that delegated authority is given to the Director of Property & Projects to award the tender in line with the evaluation criteria.

Decision Tracking

N/A

Key to Abbreviations

CIPFA – The Chartered Institute of Public Finance & Accounting
IFRS – International Financial Reporting Standards
RICS – Royal Institution of Chartered Surveyors

Documents Attached

None