



FROM: CHIEF SECRETARY
DATE: 27 April 1984

AT (of).

Pune Minutes ②

To note

AT 315

26

PRIME MINISTER

NON-DOMESTIC REVALUATION: PRIVATISAION

Attached.

Following the remit from Cabinet on 26 January, Patrick Jenkin, Nicholas Edwards and I have been looking into the possibility of contracting out to the private sector work on the non-domestic revaluation in England and Wales.

There are a number of difficulties arising, for example, from the need to secure uniformity across the country, to ensure confidentiality and to avoid conflicts of interest. While these might be overcome, the main obstacle is relative cost. The Inland Revenue had protracted discussions with the Royal Institution of Chartered Surveyors and representatives of other valuation associations last year. These revealed that the private sector was interested in carrying out only a small part of the work and, at best, their costs were eight times those of the Valuation Office for that part. The Royal Institution of Chartered Surveyors gave this figure after much deliberation as a reduced quotation in the light of their concern at the contrast with the in-house costs. It is difficult to see how they could be expected to put in a lower figure now.

We ^{have} come reluctantly therefore to the conclusion that we cannot recommend privatising this work.

I am sending copies of this letter to Cabinet colleagues and Sir Robert Armstrong.

PK

PETER REES

2 - MAY 1984

