



Ref. A089/3157

MR TURNBULL

Prime Minister  
To be aware of these useful  
referrals  
AT  
1/12

Report of the Review of Government Valuation Services

The Chancellor of the Exchequer's letter to the Environment Secretary of 23 November, following a review of Government Valuation and Estate Surveying Services, endorses a series of proposals by the Review to improve the organisation, work priorities, databases and value for money of Government Valuation Services. In 1988/89 these cost £160 million and employed 2,000 qualified staff.

2. The proposals will reduce duplication and allow Departments to make better use of information provided by valuers. Each Department responsible for a major estate will set up a data base containing a minimum of essential information, which will provide a more informed basis for management of capital assets, as well as avoiding duplication of work. It would no longer be necessary, for example, for the Treasury to make a separate assessment of the value of property for the purpose of calculating the contributions paid in lieu of rates. The proposals are not expected to lead to savings in staff or costs, but will provide capacity to meet the increased demand for valuation services to provide improved information in support of a range of policies, including those on the use of the Government's capital assets and efficient use of estates.

the service  
is a long  
way under  
complement.

3. The report sees a need to continue to do the majority of valuation work in-house, but identifies scope for some market testing and contracting out, and proposes there should be universal charging for valuation services provided by one Government Department to another, or by the Government to other public sector bodies.

4. There is a minor machinery of government aspect. The report recommends against major redeployment of valuers, for example by bringing them into a single specialist organisation which would supply the services of government valuers and estate surveyors to all Departments. The report finds that the present would be a particularly bad time to impose major change in organisation, as the Valuation Office (England and Wales) in which about three quarters of the Government's professional staff are employed is heavily engaged in the revaluation of business rating and work flowing from it. The report recommends that the deployment of valuers should be broadly unchanged, except for transfer of the Treasury's present responsibility for some aspects of the valuation of Government property to the Valuation Office (England and Wales) and Departments responsible for major estates. The report recommends a review of the case for transferring responsibility for Scottish rating assessments from local authorities to central government.

5. The review also concludes that consideration should be given to turning the main team of valuers in the Departments with major estates into Executive Agencies. The report is right to conclude that Agency status should be considered for valuation services which remain in-house. They are just the kind of executive function which could benefit from the extra managerial freedoms and disciplines of a Next Steps Agency. The valuation service within the Inland Revenue would in particular be a significant addition to the agencies so far established or announced.

6. The Chancellor asks whether colleagues are content to endorse the strategy set out in the conclusions of the report, and that officials should be asked to proceed accordingly. He asks for comments by 4 December. A draft letter is attached for use if the Prime Minister is content to endorse the Chancellor's proposals.

R.R.B.

ROBIN BUTLER

1 December 1989

a. / Rps / review

SLW

M-I-C

DRAFT LETTER FOR PS/PRIME MINISTER TO PS/CHANCELLOR

The Prime Minister has seen the Chancellor of the Exchequer's letter to the Environment Secretary of 23 November, suggesting that the strategy set out in the conclusions of the Review of Government Valuation Services should be endorsed. Subject to comments from colleagues she is content for officials to proceed in accordance with the strategy. She believes that the report is right to emphasise the elimination of duplication, and the introduction through market-testing, contracting-out and charging of better value for money for the services provided. She agrees that the report is right to conclude that Agency status should be considered for valuation services which remain in-house. They appear to be the kind of executive function which could benefit from the extra managerial freedoms and disciplines of a Next Steps Agency.

I am copying this to the Private Secretaries of other members of the Cabinet and Sir Robin Butler.

Agreed  
ms

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