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MINISTRY OF DEFENCE WHITEHALL LONDON SW1A 2HB

TELEPHONE 01-218 9000

DIRECT DIALLING 01-218 2111/3

MO 21/8/5L

21 December 1989

SUMMARY REPORT OF THE REVIEW OF GOVERNMENT VALUATION SERVICES

Thank you for sending me a copy of your ^{letter} letter of 23rd November covering the summary report of the Review of Government Valuation Services.

I am content with the general thrust of the Report, and am pleased to see that it acknowledges the need for the relatively new Defence Estate Service to have a period of stability in which to settle down. However, I note that the Report recommends that the MOD valuation service should be invited to consider being formed into an Executive Agency. While I am certainly willing to look at this in the light of experience gained, the Defence Estate Service has closely interlinked policy and executive functions which might make this difficult.

I am also content to give general support to the proposal for each Department's data base to be on a common format. However, I would not wish progress on our own estate management IT strategy to be delayed by this, or to compromise our intention that our data base

The Rt Hon John Major MP

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should include more information that just the core data I believe you will be seeking for rating and valuation purposes. In addition, I would need to consider carefully the security implications of making such information available to the public . I also wonder whether it will be cost effective to produce capital valuations for our operational land of low value and whether there really is a need to value our overseas estate as so much of it is made available by the host nation and has no realisable value to MOD.

On contracting out, my Department already makes considerable use of private sector agents in property management transactions, and I do not anticipate this proportion increasing significantly although further market testing will take place whenever appropriate.

Finally, were individual Departments to take over RGPD's responsibility for payments in lieu of rates, I would obviously need to seek a cash allocation to cover this, together with the additional in-house resource costs and any charges the Valuation office might raise in the future. I am, however, content for all these issues to be taken forward by officials.

I am copying this letter to the Prime Minister, all other members of the Cabinet, and to Sir Robin Butler.

Tom King

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