NHS MANAGEMENT EXECUTIVE
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From the Director of Finance   ELC(90)MBS3

Regional General Managers
District General Managers

16 March 1990

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Dear General Manager,

VALUATION OF LAND AND BUILDINGS

Whilst there is still much work to be done in completing the exercise, provisional valuations are now being received by most authorities. I understand that there have been some misunderstandings about the level of further detailed information which District Valuers will provide in addition to the total site valuation. I have discussed this with the Chief Valuer's Office and can confirm that District Valuers may be asked, on completion of the primary valuation task, to provide as a minimum the estimated net replacement cost and remaining life for each of the elements shown on the Block Inspection Form for those properties assessed using the replacement cost approach (that is most apart from residential property).

The level of information will only be supplied on the understanding that it is confidential and not to be disclosed to third parties, agents or consultants.

The valuation of land and buildings is fundamental to capital charging and whilst the figures at the elemental level need to be as accurate as possible it is recognised that they are essentially judgemental and not valuations in themselves. District Valuers will welcome comments from local managers about points of interpretation and apparent anomalies during the provisional stage. However, the overall valuation rests upon the exercise of professional judgement by individual District Valuers which cannot be negotiable and authorities should not attempt negotiations on this aspect of the valuations either directly or through agents.

Yours sincerely

S V MASTERS

cc: Capital Charges Coordinators