

Revaluation 2017

Utilities Committee

Practice Note 5 Valuation of Rural Broadband Subjects

1.0 Introduction

- 1.1 This Practice Note deals with the valuation of wireless telecommunications installations used in connection with a rural broadband service and is drafted after consultation with industry representatives.
- 1.2 The technologies used in rural broadband projects vary depending on local circumstances as well as what is best value for money. However, in the main, the technologies used tend to be microwave wireless transmitters and receivers attached to supporting structures. Other methods used such as fibre to the premise (FTTP) may be used.

2.0 Basis of Valuation

- 2.1 The primary method of valuation will be Comparative but, in many instances, there will be a hybrid of the Comparative and Contractors approaches.
- 2.2 It has been determined that the Non-Domestic Rating (Telecommunications and Canals) (Scotland) Order 1995 directs that each installation must be valued as if it existed in isolation but, for administrative convenience, the individual values may be aggregated within a cumulo valuation for each operator; the total value in the cumulo will be the aggregate of the Net Annual Value of each site.

3.0 Survey and Measurement

- 3.1 The total site area, if identifiable, and all surfaced areas, where present, should be determined separately. Any buildings should be measured to Gross External Area and the specifications of all rateable plant and machinery should be recorded. In particular, the following should be noted:
- Geographic location including Ordnance Survey coordinates,
 - Site elevation,
 - The size and nature of any compound,
 - The type of supporting structure,
 - The height of the supporting structure,
 - The type of power supply and length of spur from main supply,
 - The number and size of any buildings, cabins and cabinets,
 - Photographs showing the main elements

4.0 Method of Value

4.1 The Unit of Valuation

The unit of valuation is a single installation that may be aggregated with others in the same occupation in the same local authority area so as to derive a cumulo valuation.

4.2 Level of Value

The level of value applied to an installation is determined by three factors:

- (1) Site Value
- (2) Rateable Items
- (3) Equipment Accommodation

All cost figures set out at 4.2.2 include contract size, location factor and fees, so no further adjustment is required. There is no evidence to support and, therefore, no requirement to make any adjustment for; age and obsolescence in respect of the supporting structure, any site security equipment or “stock item” cabins or cabinets. An age and obsolescence allowance may be considered for other permanent buildings. Basic Principles PN 2 will provide guidance in terms of age and obsolescence allowances.

4.2.1 Site Value

The following levels of value should be applied to the site as determined by the type of installation and the type and height of the mast:

Site Type	Site Value
Fixing to Building	£100
Lightweight Structure/Pole less than 15 m ht	£100
Poles/Posts/Towers 15 m ht and over	£500

4.2.2 Rateable Items

Scaffolding types are easily and cheaply erected. In these circumstances, a nominal sum of £100 NAV should be added to the site value.

For low height supporting structures up to 10.0m height, add £300 NAV to the site value.

A nominal value of £100 NAV should be used where a rural broadband operator installs equipment at a host installation.

For other installation types for guidance on the amount to be added in respect of the supporting structure reference should be made to Utilities Committee Practice Note 1, Valuation of Wireless Telecommunications Subjects. Where additions are required for siteworks such as surfacing and fencing, refer to the relevant unit cost rates in the cost guide.

4.2.3 Equipment Accommodation

Where there is modular equipment accommodation similar to that installed at mobile telecommunications installations, £600 NAV should be added to the total NAV for the installation. Where there are permanent buildings on site, then use appropriate rates/m² from the 2017 cost guide adding £100 NAV for cable.

4.2.4 Summary of Total NAV

In summary, total NAVs will be as follows:

Description	Site Value	P&M	Total NAV
Cable Only (at shared sites)	Nil	£100	£100* ¹
Attachment to Building	£100		£100
Lightweight Structures (Scaffolding)	£100	£100	£200
Poles/Posts up to 10.00m ht	£100	£300* ²	£400
Poles/Posts/Towers 10.01m – 15.00m ht	£100	£1300	£1400
Poles/Posts/Towers 15.01m ht - 25.00m ht	£500	£2400* ²	£2900
Poles/Posts/Towers greater than 25.00m ht	£500	Refer to Utilities PN No 1, section 6.2.3	

*¹: If a rural broadband operator installs a large equipment cabin at a host installation, add £600 rather than £100.

*²: An additional £600 should be added for large equipment cabins, where present.

5.0 **Fibre to the Premises (FTTP)**

5.1 Backhaul to a network provider is achieved by a fibre connection. It is understood to be the case that in most instances this will be fibre occupied by the network provider or a relatively short length occupied by the rural broadband operator connecting to a backhaul service. In the latter instance this is considered de minimis.

5.2 Where it is found that the rural broadband operator is in occupation of a significant length of fibre independently then advice on the level of value to be applied should be taken from the Assessor for Renfrewshire.

6.0 **Decapitalisation Rate**

6.1 Where required, the appropriate decapitalisation rate should be applied.

7.0 End Allowance

7.1 It is not anticipated that any installation will require the application of any end allowance.

Installations used in connection with rural broadband services are not considered to be a unum quid. Therefore, any application of quantum allowance in respect of the number of installations in any single occupation is inappropriate. Any quantum or economy of scale inherent in the rental or cost elements of a single installation are reflected in the levels of value at section 4.0 above.

8.0 Cumulo Entry and Rounding

8.1 Cumulo Entry

At 2.2 above it is explained that The Non-Domestic Rating (Telecommunications and Canals) (Scotland) Order 1995 are to be interpreted in such a way that any entries arising from this Practice Note may be included in a cumulo entry in the appropriate valuation roll. Note that any buildings, over and above those sited at installations, used to host equipment associated with a rural broadband service should be valued in their own right at the level of value appropriate to that class of building in the particular location.

8.2 Rounding

Rounding within the cumulo valuation should take place only at the cumulo level; it is not necessary to round individual items or installations within that overall calculation.