

**Revaluation 2026**

**Public Buildings Committee**

**Practice Note 5**  
**Valuation of Schools**

**1.0 Introduction**

- 1.1 This Practice Note deals with the valuation of Local Authority nursery, primary and secondary schools, including additional support needs subjects, and community education accommodation that is “unum quid” with a school and also private schools (excluding residential blocks and ancillaries).
- 1.2 School boarding/dormitory accommodation is not included in the valuation of the school in terms of The Council Tax (Dwellings and Part-Residential Subjects) (Scotland) Regulations 1992.

**2.0 Basis of Valuation**

- 2.1 Subjects covered by this Practice Note are valued on the Contractor's Basis.

**3.0 Survey and Measurement**

- 3.1 Building areas should be calculated on Gross External Areas (GEA) for each main floor.
- 3.2 Where a subject is of older construction e.g. stone, and has thicker than normal walls, the area should be adjusted on a floor by floor basis in accordance with SAA Valuation of Contractor's Basis Subjects, Areas Adjustment and External Works' Costs Practice Note, to adjust the floor area to the modern equivalent.
- 3.3 Site area should be calculated together with the areas of any car parks, roadways and other paved or landscaped surfaces. Measurements and details of boundary walls, fences and any other items in the nature of external works, civil works or plant and machinery should also be noted.

## **4.0 Building and External Works Costs**

- 4.1 The available cost evidence was analysed in terms of SAA Contractor's Basis Valuations Practice Note.

## **5.0 Valuation**

- 5.1 Valuations should be carried out in accordance with SAA Contractor's Basis Valuations Practice Note.
- 5.2 Recommended unit cost rates excluding professional fees for buildings are noted below.
- 5.3 For external works reference should be made to section 6.4 below.

## **6.0 Estimated Replacement Cost (ERC)**

### **6.1 Unit Cost Rate (Buildings)**

The following unit cost rates per square metre should be applied to adjusted gross external areas in accordance with the different categories described:

<b>Description</b>	<b>Unit Cost Rate/m<sup>2</sup></b>
Standalone Nurseries	£2,800
Traditional Construction - Main Buildings	£2,300
Passivhaus or Equivalent Construction – Main Buildings	£3,700
Modular Buildings	£1,450
Portable Cabins	£900
Inferior Prefabricated Buildings	£650
Sports barns (where not part of main school building)	£1,650
Swimming Pool 25M (where not part of main school building)	£3,000

- 6.2 It should be noted that the unit cost rate for the Main Buildings is derived from the analysis of costs of purpose-built schools and nurseries.

**Standalone Nurseries** – The rate should only be applied to nurseries that are adjacent to or within the grounds of school properties. Where the nursery is physically attached or integral to the main school building, the appropriate main building rate should be applied. Nurseries that do not fall into these categories, should be valued in accordance with SAA Valuation of Day Nurseries Practice Note.

**Traditional Construction – Main buildings:** Applies to standard construction schools not covered under the Passivhaus or equivalent description noted below.

Passivhaus or equivalent – Main buildings: modern builds designed and constructed to a very high quality and use very little energy for heating and cooling. Buildings of this nature will command higher costs than standard construction with high levels of insulation, insulated window frames and airtight building fabric. Examples can be found via the following link: [Passivhaus Educational Buildings](#).

The £3,000 rate applied to the swimming pool area is appropriate for all areas related to the swimming pool (for example wet changing areas, showers, plant room etc.), where the pool is not integral to the school. The rate above applies to a standard swimming pool length of 25m. For larger swimming pools, please refer to Practice Note 3 (Valuation of Local Authority Sports and Leisure Centre) for the appropriate rate.

Modular Buildings - Buildings of prefabricated sectional design, internally insulated and plasterboard lined, with accommodation similar to permanent buildings, sited on permanent hardstanding and serviced.

Portable Cabins - Transportable as complete units with basic connections to services, sited on rudimentary base and providing adequate temporary accommodation.

Inferior Prefabricated Buildings - Inferior quality, poor or no insulation, lacks services, typically to Horsa hut standard.

- 6.3 The Scottish Government measures the suitability of Scottish local authority schools to deliver education, and this measurement evaluates any design issues of a specific school. In accordance with the suitability measurement an allowance may be applied to the building rates of all buildings in the school, details of the appropriate allowances are set out in the table below. Scottish Government background notes on suitability can be found using the following links : [School estate statistics 2024 - gov.scot](#), [Background notes - School estate statistics 2024 - gov.scot](#)

The allowance is based on a score. Scottish Councils prepare and compile the suitability score for each of their schools, and should be able to provide these. If these are not available, the Scottish Government converts these into a Suitability Category (between A and D) for all schools in Scotland, which can be found at [School estates supplementary statistics - gov.scot](#) (School estates supplementary statistics 2024 – table 8)

School capacity numbers can also be found in the statistics table using the link above.

In instances where the score is not available, only the lowest allowance for the category should be applied. Where an existing school is being

significantly extended or modernised, this will in part be designed to address the suitability of the school and the allowance should be revisited. All new schools will be built to achieve a category A score and should not merit an allowance.

Once the Suitability category and score have been determined, allowances should be applied in accordance with the table below.

This allowance should be applied to all building rates before any other adjustments and is not to be applied to external works (including playgrounds, car parking, playing fields, tennis courts, and other special items such as athletic tracks, all-weather pitches etc.), or the land element.

<b>Suitability Category</b>	<b>Suitability Score</b>	<b>Allowance</b>
Category A	20.00 to 17.50	0.00%
Category B	17.49 to 17.00	0.00%
	16.99 to 16.50	0.50%
	16.49 to 16.00	0.75%
	15.99 to 15.50	1.00%
	15.49 to 15.00	1.25%
	14.99 to 14.50	1.50%
	14.49 to 14.00	1.75%
	13.99 to 13.50	2.00%
	13.49 to 13.00	2.50%
	12.99 to 12.50	3.00%
Category C	12.49 to 12.00	4.00%
	11.99 to 11.50	4.50%
	11.49 to 11.00	5.00%
	10.99 to 10.50	5.50%
	10.49 to 10.00	6.00%
	9.99 to 9.50	7.00%
	9.49 to 8.50	8.00%
	8.49 to 7.50	9.00%
Category D	7.49 to 0.00	10.00%

Private schools do not have suitability scores, therefore an equivalent evaluation needs to be arrived at. In order to address this a discussion with the school manager to consider the Scottish Governments evaluation matrix (available here [School estates: suitability reporting core facts - gov.scot \(www.gov.scot\)](http://www.gov.scot/School%20estates%20suitability%20reporting%20core%20facts)) needs to take place. This will then give a suitability score that can be used to arrive at an appropriate allowance.

#### **6.4 Unit Cost Rates (External Works)**

These should be valued in accordance with SAA Contractor's Basis Valuations, Adjustment of Areas and External Works' Costs Practice Note. Items to be valued within this category include – playgrounds, car parking, playing fields, tennis courts, and other special items such as athletic tracks, all-weather pitches etc.

- 6.5 Any other exceptional buildings may be valued in accordance with appropriate rates derived from other SAA Practice Notes. In some cases where a particular building of unusual construction has been built in the last ten years, it may be of assistance to update actual cost to tone date to arrive at a replacement cost.

#### **6.6 Adjustments to ERC**

Adjustments in respect of contract size and additions for professional fees should be made in accordance with the recommendations contained in the SAA Contractor's Basis Valuations Practice Note.

### **7.0 Adjusted Replacement Cost (ARC)**

- 7.1 In applying age related obsolescence allowances reference should be made to guidance in SAA Contractor's Basis Valuations Practice Note and SAA Valuation of Contractor's Basis Subjects, Areas Adjustment and External Works' Costs Practice Note. Table E, at Appendix 1 of Contractor's Basis Subjects Practice Note should be used for buildings.

- 7.2 Further allowances of a functional and technical nature should be considered in accordance with SAA Contractor's Basis Valuations practice note and SAA Valuation of Contractor's Basis Subjects, Areas Adjustment and External Works' Costs Practice Note, particularly those referring to inferior system-built structures and inferior flat roof construction.

#### **7.3 Multi Storey Allowance**

An allowance to reflect the operational difficulties of housing a school in a multi storey building should be applied to each principal building by reference to the second column in the table below should be applied where appropriate. It is unlikely that schools built after the Disability Discrimination Act 1995 will have inadequate access provision, but older schools may.

In exceptional circumstances where a multi storey building over two storeys has no lift, an additional allowance of up to 5% may be applied as set out in the third column in the table below.

<b>No. of Floors</b>	<b>Allowance</b>	<b>If No Lift allow up to</b>
2 storeys	0.00%	- 5.00% max
3 storeys	- 5.00%	-10.00% max
4 storeys	-10.00%	-15.00% max
5 to 7 storeys	-17.50%	-22.50% max

If, in the case of buildings of two storeys or above, a particular floor such as an attic is significantly smaller than the main floors or consists of a basement of poorer quality, then such a floor should be excluded from the determination of an appropriate lift allowance to be applied to the whole building in the table above.

Each main building should be considered separately.

These allowances are intended to reflect the operational difficulties of housing a school in a multi storey building. In particular, they reflect the problems of pupils moving between different storeys.

#### **7.4 Functionally Obsolete Buildings**

Where a building is functionally obsolete due to fundamental changes in educational delivery or in safety considerations and cannot be used by the school for any purposes, a functional allowance within the valuation of up to 90% may be given. An example of such a scenario could be a swimming pool no longer capable of use and prohibitive costs to convert to useable space.

Where a whole school is functionally obsolete due to the construction of a modern replacement; the school roll has been relocated and the school is subsequently awaiting redevelopment or repurposing, a functional allowance of up to 90% may be given. This gives recognition to a residual value in the site and buildings, however the overcapacity allowances set out in 8.3 should be removed. In less clear circumstances the guidance in 8.4 should be followed.

Where a building or part of it is functionally obsolete for its original purpose due to fundamental changes in educational delivery or in safety considerations, but may be used for other purposes on the school campus, this valuation element may also be given a functional allowance. However, this should not produce a value lower than that associated with storage.

Where a building or part of it is not functionally obsolete, but is surplus to the requirements of the school and not used for their intended purpose a functional allowance of up to 25% may be applied to reflect the extent of use/usefulness.

Classrooms used as general purpose rooms, resource centres, etc, do not fall within this category.

- 7.5 The above allowances should not be aggregated but applied in sequence to provide the Adjusted Replacement Cost of a particular item. Care should be taken to ensure that buildings or floor areas awarded the above allowances stated at 7.5 are not used in calculating overcapacity allowances in section 8.0.

Functional and overcapacity allowances should only both be given in very limited situations and with extreme caution.

## **8.0 Overcapacity**

- 8.1 It is recommended that an allowance be made for overcapacity where pupil levels have fallen or have not reached optimum levels relative to all buildings available for use. Each education authority is required to provide annual statistics in respect of maximum pupil capacity and actual pupil capacity to the Scottish Government.

Numbers of nursery pupils (taken at full time equivalent) should be included and the extent of community use reflected in the final allowance. Where it is unclear which buildings should be excluded from the pupil capacity calculation as noted in 7.6, clarification should be sought from the Education Authority.

- 8.2 Overcapacity allowance should be applied as an end allowance to the final valuation. Where the school/sports buildings are available for community purposes, the extent of this use should be reflected in the final allowance which must be a matter of judgement in each case. Where there is clearly no community use and sports halls, sports facilities are in excess of the school's requirements, the standard allowance may be applied to all school buildings.

- 8.3 It is recommended that:-

(i) Where a new school erected ahead of time has been affected by a curtailment of expected development with no prospect of any appreciable increase in pupil numbers within the life of the 2026 Valuation Roll; or

(ii) Where an existing school is in an area affected by rural or urban substantial redevelopment and/or depopulation and/or permanently changed educational policy; or

(iii) Where, due to a fall in anticipated pupil intake, a school has an overprovision of classrooms which are used simply because they are there but would not be provided in a new school; an allowance should be applied based on the following table:

<b>Spare Capacity</b>	<b>Allowances</b>
Nil to 25%	Nil
25% to 30%	Nil to 5%
30% to 35%	5% to 10%
35% to 40%	10% to 15%
40% to 45%	15% to 20%
45% to 50%	20% to 25%
50% to 55%	25% to 30%
55% to 60%	30% to 35%
60% to 65%	35% to 40%
65% to 70%	40% to 45%
70% to 75% and over	45% to 50%

- 8.4 A school that has been closed following the construction of a modern replacement should only receive the allowance set out in 7.5 but no capacity allowance. Where a school has been temporarily closed due to an unsustainable school roll, with the expectation that the situation may change in the future, the school should not be granted the allowance set out in 7.5 but the full capacity allowance of 50%. Care should be taken in these circumstances that functionally viable accommodation is not granted additional redundancy allowances. The mere closure of a school is not a material change of circumstances and so, in considering any alteration to the value of a school between revaluations as a result of its closure and replacement, care should be taken that its replacement amounts to a “material change of circumstances.

## **9.0 Plant and Machinery**

- 9.1 Buildings’ unit cost rates above are inclusive of service plant typically found in subjects covered by this Practice Note. Rateable items of plant and machinery not already reflected in these rates should be dealt with in terms of the Valuation for Rating (Plant & Machinery) (Scotland) Regulations 2000 (as amended) and valued with reference to the Rating Cost Guide Scotland.

## **10.0 Land**

- 10.1 Land value should be determined by reference to local evidence and the SAA Contractor’s Basis Valuations practice note.

## **11.0 Decapitalisation Rate**

- 11.1 The appropriate statutory decapitalisation rate should be used.



## **12.0 End Allowance**

- 12.1 Any factors or circumstances which might affect the value of the occupation of the lands and heritages as a whole should be reflected at this stage. An adjustment under this head should not duplicate adjustments made elsewhere.