

Revaluation 2010

Public Buildings Committee

**Practice Note 5
Valuation of Schools**

1.0 Introduction

1.1 Subjects included

- Local Authority primary and secondary schools
- Local Authority special schools
- Nursery and community education accommodation that is “unum quid” with a school
- Private schools (excluding residential blocks and ancillaries)

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 a gross external basis for each main floor.
- 3.2 The total site area and areas and details of car parks, playgrounds, roadways and landscaping etc. should also be determined together with details of boundary walls, fences etc.

4.0 Building and External Works Costs

- 4.1 The available cost evidence was analysed in terms of SAA Basic Principles Committee Practice Note 2 (Contractor’s Basis Valuations). The unit cost rates derived reflect a Scottish Mean location factor, a £3 million contract size and a tone date of 1 April 2008.

5.0 Valuation

- 5.1 Buildings should be valued in accordance with SAA Basic Principles Committee Practice Note 2 (Contractor’s Basis Valuations). Recommended unit cost rates are noted below. The recommended rates exclude professional fees and external works.
- 5.2 External works should be valued in accordance with SAA Public Buildings Committee Practice Note 4 (Contractor’s Basis Valuations, Adjustment of Areas, External Works’ Costs, Allowances and Land). 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.

- 5.3 Adjustments in respect of contract size and additions for professional fees should be made in accordance with the recommendations contained in SAA Basic Principles Committee Practice Note 2 (Contractor's Basis Valuations).
- 5.4 Age, obsolescence and other allowances should be made in accordance with SAA Public Buildings Committee Practice Note 4 (Contractor's Basis Valuations, Adjustment of Areas, External Works' Costs, Allowances and Land).
- 5.5 Land value should be determined by reference to local evidence and SAA Public Buildings Committee Practice Note 4 (Contractor's Basis Valuations, Adjustment of Areas, External Works' Costs, Allowances and Land).
- 5.6 The Estimated Replacement Cost and the Adjusted Replacement Cost are derived as indicated in Sections 6 and 7 below.

6.0 Estimated Replacement Cost

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:

	Rate/m2
Main buildings	£1300
Best quality prefabricated buildings	£600
Temporary average hutting	£475
Sports barns (where not part of main school building)	£900
Swimming Pool	£1600

It should be noted that the unit cost rate for the Main buildings is derived from the analysis of costs of purpose built schools erected on or around the tone date. Where a school suffers from a lack of the features of the schools included in the cost base, a **maximum** adjustment of up to 7.5% should be applied to the unit cost rate.

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.

6.2 Adjustment of Gross Areas

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 Public Buildings Committee Practice Note 4 (Contractor's Basis Valuations, Adjustment of Areas, External Works' Costs, Allowances and Land) to adjust the floor area to the modern equivalent.

6.3 Unit Cost Rates (External Works)

These should be valued in accordance with SAA Public Buildings Committee Practice Note 4 (Contractor's Basis Valuations, Adjustment of Areas, External Works' Costs, Allowances and Land).

7.0 Adjusted Replacement Cost

7.1 Age and Obsolescence

Age and obsolescence allowances should be applied to the estimated replacement cost derived above in accordance with the table in SAA Public Buildings Committee Practice Note 4 (Contractor's Basis Valuations, Adjustment of Areas, External Works' Costs, Allowances and Land).

7.2 In the case of modernised or refurbished buildings, the use of a notional age between date of refurbishment and the date of original construction may provide flexibility in deriving an appropriate age and obsolescence allowance.

7.3 System built structures of inferior frame and panel construction with inferior flat roofs and very little or no brickwork to walls may be given an additional allowance of up to 20% for pre 1975 structures and 15% for those built between 1975 and 1985.

7.4 Functional Obsolescence

In the case of multi storey, the following general allowances should be made to the whole of the individual building. Reduction factors for subsidiary floors will not apply.

Multi Storey Allowance	2 Storey	2.5%
	3 Storey	5%
	4 Storey	10%
	5 to 7 Storeys	17.5%
	8 Storeys and above	22.5%
No lift (see below) *	An additional allowance of	5%

* Where a multi storey building has no lift an additional allowance of 5% should be applied.

Each principal 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. Where the lower floors of a building are larger than the upper floors, a judgement will need to be made as to the extent to which the extended parts of the lower floors should also benefit from the multi storey allowance. This will depend on the use of the extension in the context of the use of the building. Where the use in the

extension is related to the use in the building then it will be appropriate to apply the allowance to the extended part.

The allowances referred to in 7.1 to 7.4 should not be aggregated but applied in sequence to provide the Adjusted Replacement Cost of a particular item.

7.5 Redundancy

Redundancy allowances at schools will generally fall into two categories

7.5.1 Redundant Buildings

Where, due to fundamental changes in educational delivery or in safety considerations, the buildings in question have no current or foreseeable use or where the use is severely limited.

Examples of redundant buildings which may be **excluded** from valuation include - Wings, attics, basements, playground toilets, etc, which, because of current health and safety standards, have no current or foreseeable use.

Examples of redundant buildings which may be **retained** in valuation include buildings which are sound and usable but are surplus to the requirements of the school, either because of changes in education methods or demographic changes in the community and are not used for their intended purpose, eg old classroom wings used for casual storage. In such cases, a reduction factor 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.

7.5.2 Overcapacity

It is recommended that an allowance be made for overcapacity where pupil levels have fallen or have not reached optimum levels but all buildings are still in use. Each education authority is required to provide annual statistics in respect of maximum pupil capacity and actual pupil capacity to the Scottish Government. These figures should be obtained for the years 2005/06; 2006/07; 2007/08. Numbers of nursery pupils (taken at full time equivalent) should be included and the extent of community use reflected in the final allowance.

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.

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 quinquennium; 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 over-provision of classrooms which are used simply because they are there but would not be provided in a new school; then;

Allowances should be applied based on the following table—

Spare Capacity	Allowances
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%

8.0 Land Value

8.1 Land value should be determined by reference to local evidence and SAA Public Buildings Committee Practice Note 4 (Contractor's Basis Valuations, Adjustment of Areas, External Works' Costs, Allowances and Land Value).

9.0 Boarding Accommodation

9.1 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.

10.0 Decapitalisation rate

10.1 All subjects referred to in this Practice Note should be valued at the appropriate statutory decapitalisation rate.