

Committee Report Checklist

Please submit the completed checklists with your report. If final draft report does not include all the information/sign offs required, your item will be delayed until the next meeting cycle.

Stage 1

Report checklist – responsibility of report owner

ITEM	Yes / No	Date
Councillor engagement / input from Chair prior to briefing	Yes	30/10/25
Commissioner engagement (if report focused on issues of concern to Commissioners such as Finance, Assets etc)	BAU	
Relevant Group Head review	CH	7/11/25
MAT+ review (to have been circulated at least 5 working days before Stage 2)		7/11/25
This item is on the Forward Plan for the relevant committee		
	Reviewed by	
Finance comments (circulate to Finance)	OO	10/11/25
Risk comments (circulate to Lee O'Neil)		
Legal comments (circulate to Legal team)	J Clare	10/11/25
HR comments (if applicable)	N/a	

For reports with material financial or legal implications the author should engage with the respective teams at the outset and receive input to their reports prior to asking for MO or s151 comments.

Do not forward to stage 2 unless all the above have been completed.

Stage 2

Report checklist – responsibility of report owner

ITEM	Completed by	Date
Monitoring Officer commentary – at least 5 working days before MAT	L Heron	14/11/25
S151 Officer commentary – at least 5 working days before MAT	T.Collier	12/11/25
Confirm final report cleared by MAT		11/11/25

Business Infrastructure and Growth Committee

20 November 2025

Title	Appointment of new valuation surveyors to undertake the annual municipal valuation
Purpose of the report	To make a decision
Report Author	Sian Bowen, Principal Asset Manager
Ward(s) Affected	All Wards
Exempt	Report - No Appendix 1 - Yes
Exemption Reason	The Appendix contains exempt information within the meaning of Part 1 of Schedule 12A to the Local Government Act 1972, as amended by the Local Government (Access to Information) Act 1985 and by the Local Government (Access to information) (Variation) Order 2006 Paragraph 3 – Information relating to the financial or business affairs of any particular person (including the authority holding that information) and in all the circumstances of the case, the public interest in maintaining the exemption outweighs the public interest in disclosing the information because, disclosure to the public would prejudice the financial position of the authority in any contract or other type of negotiation with a supplier who could then know the position of the Council.
Corporate Priority	Resilience
Recommendations	Committee is asked to: 1.Approve the appointment of Bidder C to undertake the municipal valuation programme for a period of 2 years with an option to extend for a further 1 year. 2.Delegate authority to the Group Head of Corporate Governance to enter into a contract and any ancillary legal documentation required in respect of appointment of Bidder C
Reason for Recommendation	The current valuation contract expired on 30 September 2025. There has been a full procurement, tender and evaluation and we consider Bidder C to provide the best value and quality.

1. Executive summary of the report *(expand detail in Key Issues section below)*

What is the situation	Why we want to do something
<ul style="list-style-type: none"> The municipal portfolio is valued annually at the end of the Council's financial year (31 March) on a three year rolling programme, with all assets valued over £1 million valued annually. As we move towards Local Government Re-organisation, Finance have requested that all municipal assets are valued on 31 March 2026 with a new annual rolling programme established in 2027. 	<ul style="list-style-type: none"> A new contract is required in order to undertake the valuation for 31 March 2026. The proposal is to grant a new 2 year contract plus 1 year following a procurement and evaluation process.
This is what we want to do about it	These are the next steps
<ul style="list-style-type: none"> Following a tender and evaluation process, confirm the appointment of Bidder C to commence the valuation and full measurement exercise, including inspection for 31 March 2026 valuation date. 	<ul style="list-style-type: none"> Instruct legal to enter into a contract with Bidder C as soon as possible.

2. Key issues

- 2.1 Wilkes Head and Eve have been the appointed valuer for the past 3 years. Their contract expired on 30 September 2025. The Municipal Portfolio is valued on an annual basis as at 31 March each year, coinciding with the expiry of the Council's financial year.
- 2.2 All properties are valued on a rolling 3 year programme in accordance with Chartered Institute of Public Finance and Accountancy (CIPFA) and Royal Institution of Chartered Surveyors (RICS) regulations and standards and all properties in excess of £1million are valued each year.
- 2.3 The Valuers are asked to consider the following:-
- Location and Situation of the Property
 - Site area and floor area
 - Brief description including services and overall condition
 - Tenure & Tenancy information (based on information provided)
 - Economic overview
 - Market commentary (National and Local) & Comparables
 - Valuation considerations
 - Lifespan of buildings and rebuild costs of specialist properties

- (i) Split between land and asset value
- (j) Basis of Valuation

- 2.4 To ensure best practice, a new valuer is appointed should be appointed every three years, in line with RICS regulations, to maintain accurate and thorough reporting whilst mitigating risk and complacency. As a consequence, Wilkes Head and Eve, our former valuer was not invited to re-tender.
- 2.5 A procurement exercise has been undertaken and four surveying firms were invited to tender for a new two-year contract (with option to extend for a further one year). Three companies provided a return, as outlined in Appendix 1 with one declining to bid.
- 2.6 Bidder C's proposal was the best value for the two year plus one year contact year contract and they received the highest score in terms of quality and ability to complete the valuations within the specified timelines.
- 2.7 The price will also include the Knowle Green Estates valuation which will be re-charged on a pro-rata basis.
- 2.8 The three year valuation contract with Wilkes Head and Eve (WHE) was for £33,255 for the entire 3 year period. The service we have been provided by WHE over the last 3 years has been undertaken in accordance with RICS regulations, however valuations have been produced on a desktop basis and no inspections have been undertaken, except in the event of a material change in the buildings.
- 2.9 The proposed new contract will require the new valuer to undertake an inspection of all properties, undertake a measuring exercise and provide a thorough reporting model on each property which has not previously been provided. As a result of the significantly more detailed requirements of the proposed valuation contract moving forward, the valuation price as increased significantly by £55,485 over 3 years to £88,740. The incumbent in year 1 will also value and measure all 206 properties within the portfolio, to provide finance with an asset valuation for Local Government reorganisation.
- 2.10 A contract sum of £50,000 pa has been allowed for in the 2026 Service Plan which accounted for the proposed new contract and anticipated higher expenditure per annum. The fee structure proposed by Bidder C:
- | | |
|--------|--|
| Year 1 | £47,700 (to reflect all 206 properties being inspected and valued) |
| Year 2 | £20,520 |
| Year 3 | £20,520 |
- 2.11 The contract period is for 2 years which will allow certainty through Local Government Re-organisation and provides the flexibility to extend for a further year.

3. Options appraisal and proposal

- 3.1 Enter into a new 2 year plus 1 year contract with Bidder C to undertake the municipal valuation programme in line with RICS and CIPFA requirements for the Council's audited accounts. **Recommended.**

- 3.2 Do not enter into a new valuation contract. This will put the Council in breach of accountancy and audit regulations/requirements. **Not recommended.**
- 3.3 Continue with the former Valuer, Wilkes Head and Eve. **Not recommended** – the contract has now expired and under RICS and Audit requirements we are required to alternate Valuers.

4. Risk implications

- 4.1 It is best practice to rotate surveying firms valuing a commercial property portfolio, to ensure that there is no over familiarity with the assets. It is recommended by the RICS that valuers should change at a minimum every three years and it is therefore highly unlikely that Bidder C's contract would be extended beyond the two plus one year contract term.
- 4.2 Bidder C will have no knowledge of the previous Wilkes Head and Eve valuation and therefore they may apply differing views, yields, building re-instatement costs, assumptions and market sentiments. This could result in more fluctuations in the valuations in 2025 but they should be within the tolerance of the RICS regulations (generally 10%).
- 4.3 Bidder C will also be valuing the municipal portfolio in its entirety for 31 March 2026 which may also produce some fluctuations in value as a full valuation exercise has not been undertaken of the entire portfolio for in excess of 6 years.
- 4.4 The awarding of a 2 year plus 1 contract will take the contract over the period of LGR transition.

5. Financial implications

- 5.1 The total cost of the proposed two-year contract with an option to extend for a further one year is £88,740, based on Bidder C's tender submission (£47,700 in Year 1 and £20,520 in each of Years 2 and 3). The increased cost compared with the previous three-year contract of £33,255 reflects the significantly broader scope of work, including full property inspections, measurement exercises, and enhanced reporting in line with RICS and CIPFA requirements. The higher level of detail and accuracy will ensure compliance with audit standards and support the Council's asset management and Local Government Reorganisation requirements. A budget allocation of £50,000 per annum has been included within the 2026 Service Plan to accommodate the proposed expenditure, and costs relating to Knowle Green Estates will be recharged on a pro-rata basis. There are therefore no additional unbudgeted financial pressures arising from this recommendation.

6. Legal comments

- 6.1 All contracts must comply with the Procurement Act 2023 and the Council's Contract Standing Order Procedural Rules. The Council has a duty to deliver best value under the Local Government Act 1999.
- 6.2 Legal Services are to be instructed to prepare contract documentation.

Corporate implications

7. S151 Officer comments

- 7.1 As set out in the Financial Implications there is sufficient budget to cover the proposed cost of the contract. In the context of Surrey Local Government Reorganisation, it is important that we ensure that all municipal assets values are updated in accordance with CIPFA and RICS requirements.

8. Monitoring Officer comments

- 8.1 The Monitoring Officer confirms that the relevant legal implications have been taken into account.

9. Procurement comments

- 9.1 The total value of the contract is £88,740 over the 2 year plus 1 year contract.
- 9.2 A below-threshold tender exercise was conducted in accordance with the Procurement Act 2023. Four suppliers were invited to submit bids, as the estimated contract value was below the current PA23 threshold of £214,904.
- 9.3 The four suppliers invited to tender were selected for their market knowledge, relevant experience and professional capability in delivering valuation services to local authorities. Each has a proven track record in asset valuation and portfolio management, with qualified valuers experienced in local and regional property markets. This approach ensured effective competition among capable providers while maintaining a proportionate procurement process for the contract value.
- 9.4 The evaluation focused on both quality (60%) and price (40%) to ensure best value for money. Bidders were assessed against nine quality questions. Each supplier provided detailed responses to quality questions including:
- Relevant experience and examples of similar valuation projects (Q1.1)
 - Local market insight to inform valuation approach (Q1.2)
 - Client liaison and quality assurance processes (Q2.1)
 - Inspection, evidence gathering and risk management procedures (Q3.1–5.1)
 - Timely delivery of reports (Q6.1)
 - support for net-zero objectives (Q7.1)
- 9.5 Following evaluation, Bidder C achieved the highest overall quality score, attaining a minimum of 4 out of 5 on each of the nine quality questions. In addition to their strong quality submission, they also submitted the most competitive pricing, representing the best overall value to the Council.
- 9.6 The Pipeline registration number is 2025017.

10. Equality and Diversity

- 10.1 The proposed valuation contract does not raise any equality and diversity considerations

11. Sustainability/Climate Change Implications

- 11.1 The proposed valuation contract does not raise any sustainability or climate change implications however as part of the tender process, Companies were asked to respond to their commitment to net-zero objectives and these were scored in the evaluation process.

12. Other considerations

- 12.1 N/a.

13. Timetable for implementation

- 13.1 It is proposed to enter into the contract as soon as possible in order for the valuation process to commence, including inspections and measurement of the properties for the 31 March 2026 accounts.

14. Contact

- 14.1 Sian Bowen – s.bowen@spelthorne.gov.uk

***Please submit any material questions to the Committee Chair and Officer
Contact by two days in advance of the meeting.***

Background papers: There are none.

Appendices:

Appendix 1 – List of bidders, scoring and pricing.