

ADHS DECISION – 5

Title: Valuation advice for investment properties for FY end March 2025

Executive summary

OPDC needs to appoint a property valuation consultancy to carry out a valuation of its investment properties for the financial year ended 31 March 2025.

As a significant landowner and a steward of the local area, this information is very important to better understand and deliver on OPDC's regeneration objectives. It is also a requirement for our statutory reporting that we have independent, third-party evidence for the carrying value of our assets.

Decision

That the Head of Finance approves:

- i. Spend of £20,000 on consultancy services to deliver a year end valuation for accounts purposes of OPDC group's investment properties as at 31 March 2025. This an important process for OPDC's year end accounts.
- ii. The proposed cost allows for a small amount of contingency (less than 10%) to enable inclusion of possible further assets that may be acquired during the valuation exercise.

Head of Service

I do not have any disclosable interest in the proposed Decision. It is consistent with OPDC's priorities and has my approval.

Signature:



Date: 09/01/2025

PART 1: NON-CONFIDENTIAL FACTS AND ADVICE

1. Background and context

- 1.1 OPDC owns 11 properties, both directly owned by OPDC and those owned by subsidiary companies. These are a mixture of commercial, light industrial, leisure and vacant properties with value at purchase of c£125m. These are classified in the accounts as investment properties, and the accounting regulations (specifically IPSAS 16 Investment Property and IAS 40 Investment Property), which state:
- “An entity is encouraged, but not required, to determine the fair value of investment property on the basis of a valuation by an independent valuer who holds a recognized and relevant professional qualification and has recent experience in the location and category of the investment property being valued.”
- 1.2 Whilst it is not a requirement to have a valuation at year end, it is best practice to do so.
- 1.3 The valuation will also enable OPDC to gain greater understanding of, and better manage, its financial risks and opportunities.

2. The proposal and how it will be delivered

- 2.1 A year end valuation of investment properties for accounting purposes is a standard piece of work which can be carried out by a large number of companies which have suitably qualified RICS (Royal Institute of Chartered Surveyors) staff.
- 2.2 We will appoint a company with suitable relevant experience to carry out the valuation and engage with them throughout the process to ensure it runs smoothly.

3. Objectives and expected outcomes

- 3.1 The appointed supplier will provide a valuation report which values all the investment properties held in the OPDC group.

4. Strategic fit

- 4.1 This proposal is an important part of the stewardship of OPDC’s land & property assets. As the custodian of a major regeneration area and being a large landowner, it is essential that OPDC fully understands the value of its assets.
- 4.2 This information will help support OPDC’s intermediate asset management activities and in the longer run will help support the delivery of the regeneration.
- 4.3 Furthermore, although not a requirement for the year end accounts, it is best practice to have a valuation of investment properties at each year end.

5. Project governance and assurance

- 5.1 As part of the procurement exercise OPDC will agree clear timetables and deliverables for the project.
- 5.2 The Project Lead will be the Senior Finance Business Partner and the Senior Responsible Officer will be the Head of Finance.

6. Risk, Issues and Opportunities

- 6.1 There are no significant monetary risks with this piece of work.
- 6.2 The work presents the Corporation with the opportunity to obtain a clear assessment of our asset portfolio to date which will inform much of the work we do next financial year in relation to investment and asset management.

7. Equity, Diversity and Inclusion Comments

- 7.1 OPDC must have 'due regard' to the need to eliminate unlawful discrimination, harassment and victimisation as well as to the need to advance equality of opportunity and foster good relations between people who share a protected characteristic and those who do not.¹

8. Social Value and Environment

- 8.1 Understanding the true value of our properties is integral to long-term investment considerations as we prepare to engage the market for partners to bring forward the Old Oak scheme. This will act as one of many steps that enables us to effectively ascertain our capacity to deliver inclusive and sustainable development.

9. Other considerations

- 9.1 There are no other considerations that need to be considered in the taking of this decision.

10. Conflicts of interest

- 10.1 No one involved in the preparation or clearance of this Form, or its substantive proposal, has any conflict of interest.

11. Financial comments

The protected characteristics and groups are: age, disability, gender reassignment, pregnancy and maternity, race, gender, religion or belief, sexual orientation and marriage/ civil partnership status. Fulfilling this duty involves having due regard to: the need to remove or minimise any disadvantage suffered by those who share a protected characteristic or one that is connected to that characteristic; taking steps to meet the different needs of such people; and encouraging them to participate in public life or in any other activity where their participation is disproportionately low. Compliance with the Equality Act may involve treating people with a protected characteristic more favourably than those without the characteristic. The duty must be exercised with an open mind and at the time a Decision is taken in the exercise of the OPDC's functions.

11.1 As noted above, the yearend valuation of investment properties is an important part of the process in preparing OPDC’s financial accounts. This cost will be funded from the 2024-25 budget and beyond.

12. Summary timeline

Activity	Date
Carry out procurement exercise	December 2024
Procurement of contract /Grant award	31 December 2024
Initial meeting	By mid January 2025
Delivery start date	Mid January 2025
Valuations carried out	February 2025
Draft report	28 February 2025
Review and discussion	March 2025
Final report submitted	11 April 2025
Evaluation period and responses to audit queries	April – June 2025
Project closure	30 June 2025

Appendices

- None

Other supporting papers

- None

PUBLIC ACCESS TO INFORMATION

Information in this Form (Part 1) is subject to the Freedom of Information Act 2000 (FoIA). OPDC aims to publish the Form within three working day of approval.

If immediate publication risks compromising the implementation of the Decision (for example, impacting a procurement process), it can be deferred until a specific date (when it will be published). Deferral periods are kept to the shortest length strictly necessary.

Part 1 – Deferral

Publication of this Part 1 is to be deferred: **No**

The deferral is until: N/A

This is because: N/A

Part 2 – Confidential information

Only the facts or advice that would be exempt from disclosure under FOIA should be included in or attached to any separate Part 2 Form, together with the rationale for withholding the information at this time.

There is a separate and confidential Part 2 Form: **No**

DECLARATIONS

Drafting officer: Richard Taylor has drafted this Form in accordance with OPDC procedures, including for handling conflicts of interests, and confirm that:



Advice: The Governance, Finance and Legal teams have commented on the proposal.



CONFIRMATIONS

Section 106 funding: This use of S106 to fund the expenditure proposal was approved via a Section 106 spend proposal form on N/A.

Review: This Decision was circulated for **Senior Review** on 09/01/2025.

Head of Finance

Financial and legal implications have been appropriately considered in the preparation of this Form.

Signature:



Date: 09/01/2025