

Asset Valuation in the Asset Valuation Model

Categories

The data is held in the Asset Valuation System (AVS) model based on the categories detailed in Annex D.

Rate Generation

All categories with the exception of special structures require to have rates to be obtained that will be used to generate a gross replacement value. As no accurate values exist for any individual section of the network, average rates are used to generate the asset values shown. These rates are derived from capital improvements work done over a number of years. The rates generated by each scheme are then averaged with all the other schemes to come up with a composite rate which is an all inclusive rate per unit for each of the component types.

Land is valued by the Valuation Office Agency. This is done by the use of indicative land rates which cover the various categories of land. The basis of the valuation is "existing use" and the rates are derived from recent land transactions.

Special Structures are individually valued on a yearly basis. The value is the gross replacement value for the Structure and the depreciated replacement costs is calculated according to the depreciation policy.

Revaluation

The rates are updated each year using a basket of construction indices such as the ONS Baxter indices.

Condition Survey

The condition of the road network is assessed each year on a rolling programme basis using various survey methods e.g. the Deflectograph as part of the maintenance inspection regime. The results of the survey determines the current condition of the roads surface and the net current replacement cost is adjusted accordingly.