THE VALUATION TRIBUNAL FOR ENGLAND

Non-domestic rating appeal; 2017 rating list; Fair maintainable trade; Valuation of Public Houses approved guide; Appeal dismissed.

RE: The Blacksmith's Arms, Town Street, Retford DN22 9AD

APPEAL NUMBER: CHG100085010

BETWEEN: Vicki Foers (represented by Powell's Business Rating Specialists) — Appellant

And

Jo Moore (Valuation Officer) — Respondent

PANEL: Mr R P Cammidge (Senior Member)
Ms J V Barnes

CLERK: Ms S Hodgson

ON: 12 November 2020

REMOTE HEARING

Summary of decision

1. Appeal dismissed. The existing valuation is not excessive and the entry in the rating list is confirmed at £65,500 rateable value (RV) with effect from 1 April 2017.

Introduction

2. This was a 2017 rating list appeal. The RV of the appeal hereditament was originally £79,500 with effect from 1 April 2017 which was reduced to £65,500 with effect 1 April 2017 during the challenge stage of the process. This was a compiled list appeal, so the material day was also 1 April 2017. The challenge stage was completed on 15 October 2019. The appellant sought a reduction in the RV to £39,000.

3. The subject hereditament was a pub in the village of Clayworth built from a row of cottages. The pub had a private dining area, a large carpark, was licenced for weddings and included four letting rooms, a suite and a cottage.

4. The appellant was represented by Powell's Business Rating Specialists who had requested the hearing be heard in its absence. The panel was satisfied that it was in the interest of justice to proceed on the basis of the written documentation.

5. The President of the Valuation Tribunal for England (VTE) is required to make sure arrangements are in place and make such statements and Directions so as to ensure that business before the Tribunal is conducted in accordance with The Local Government Finance Act 1988, Schedule 11, Part 1, paragraph A17(1) and The Valuation Tribunal for England (Council Tax and Rating Appeals) (Procedure) Regulations 2009 and by virtue of Part 2 regulation (5)(arrangement for appeals) and regulation (6)(3)(g) (appeal management powers) the VTE may determine the form of any hearing.

6. Therefore, in pursuance of Regulation (6)(3)(g) the VTE has incorporated "remote hearings" as part of that definition and for the time being as the default option until it is safe to return to normal working. The Tribunal's Consolidated Practice Statement has been amended to reflect this.

7. This is not intended to be an exhaustive record of the proceedings, but the parties can be assured that all of the evidence presented was fully considered by the panel before coming to its decision. Consequently, the absence of a reference to any statement, or evidence, should not be construed as it having been overlooked.

Issue

8. The issue for the panel to consider was the correct RV to be ascribed to the assessment.

Evidence and submissions

9. Mr Green for the respondent explained that the property was valued as a public house and premises using the Valuation of Public Houses approved guide. He stated the turnover used was declared on forms of return provided by the occupier and this was then adopted as the fair maintainable trade (FMT) for the wet trade and the dry trade. Mr Green advised that due to the fact there were only six letting rooms, the trade for these was incorporated into the dry trade figure. The pub was then categorised for the wet and dry trade and percentages applied within the guidelines of the approved guide which resulted in the RV of £65,500. Mr Green did not consider the pub was overtrading as the appellant's agent had suggested and asked the panel to dismiss the appeal and for the current RV to be confirmed.

10. Mr Powell for the appellant provided a statement that described the appeal property and the high levels of expenditure that had been incurred to create a top-quality offering both in terms of the accommodation and food service. In addition, Mr Powell also referred to some of the

difficulties experienced by the appellant that included high staff costs and turnover of staff and a remote location. He did not believe that the property should be valued using the approved guide and instead an extensive profit valuation analysis should be carried out. Mr Powell provided an expenditure and receipts valuation for the property. He asked the panel for a reduction in rateable value to £39,000.

Decision and reasons

11. The panel considered the appellant's contention that the appeal property should not be valued using the Valuation of Public Houses approved guide. It was of the opinion that the appellant's representative had not proved the case that this public house, even with its additional facilities, was sufficiently different from other public houses in order to warrant a deviation from the approved method of valuation for this property type.

12. It was the panel's view that the approved guide provided options and flexibility to reflect the nature of individual public houses. The panel was satisfied that the appeal property was correctly valued by this method.

13. The panel heard from the respondent that the FMT adopted by the Valuation Officer had been taken from the declared turnover for the pub from the forms of return. There was no suggestion in the appellant's case that these figures were disputed and therefore the panel accepted them.

14. The panel was aware that the appellant's representative disputed the percentages applied to the FMT for the wet and dry trade by the Valuation Officer. The panel had regard to the approved guide and noted the pub had been valued in category 1 for the wet trade and band b for the dry trade.

15. Category 1 for wet trade comprises well-invested public houses, often but not exclusively trading under direct management with or without corporate branding. Based on the turnover provided on the forms of return, the approximate range of percentages to be adopted for a public house in category 1 was between 8.50% and 9.70%. The percentage adopted by the respondent was 9.11%

16. Band b for dry trade is the lower band for dry receipts and can include outlets that prepare food fresh on-site that requires skilled cooking or preparation, and restaurant style catering, employing specialist staff and high running costs. Based on the turnover provided on the forms of return, the approximate range of percentages to be adopted for a public house in band b was between 8.00% and 9.25%. The percentage adopted by the respondent was 8.97%.

17. The appellant's representative had provided no argument or evidence to dispute the bands or percentages applied. The panel therefore considered these to be correct having regard to the appeal property and the type of trading undertaken.

18. The panel found that whilst the appellant's agent mentioned that staff costs and repairs were higher than normal for the appeal property, no comparable evidence on repair or staff costs were provided to support that contention.

19. The panel reviewed the expenditure and receipts valuation provided by the appellant's agent, in conjunction with his statement of fact provided as part of the evidence bundle. The panel noted that the expenditure form was not dated, and the statement of fact mentioned that the figures used for the turnover were toned down due to the decline the following year.

20. It was the panel's opinion that the expenditure and receipts valuation was not particularly helpful due to the unknown level of amendments that had been made without any supporting explanation.

21. In the absence of any substantial and convincing evidence to the contrary, the panel held that the current entry in the 2017 list was not unreasonable and therefore, the appeal was dismissed.

Date: 30 November 2020

Appeal number: CHG100085010