VALUATION TRIBUNAL FOR ENGLAND

2017 rating list appeals: Local Government Finance Act 1988; offices in Central London; rental evidence close to the valuation date; agreements on Almack House and neighbouring office buildings; appeals dismissed.

APPEAL NUMBERS: CHG101055864, CHG100880569, CHG100926789 and CHG100531841

RE: (Excl NE) 4th Flr Almack House, 28, King Street, London, SW1Y 6QW;
1st Flr West Almack Hse, 28, King Street, London, SW1Y 6QW;
4th Flr NE Almack House, 28, King Street, London, SW1Y 6QW;
Grd Flr Fnt East, Almack Hse 28, King Street, London, SW1Y 6QW
(the "appeal properties")

BETWEEN: Findlay Park Partners LLP and Jordan International Bank PLC — Appellants

and

Mr A Ricketts (Valuation Officer) — Respondent

SITTING: *remotely using Microsoft Teams*

ON: 15 January 2025

PANEL: Mr I Lonsdale, Presiding Senior Member
Mrs F Cortese, Senior Member

CLERK: Mr D Mulgrew

APPEARANCES: Mr M Evans (Ryan Property Tax Services UK Ltd) (Appellants' representative)
Mr C Tawonezvi (Respondent's representative)

DECISION AND STATEMENT OF REASONS

Decision

1. All four appeals were dismissed, so no changes were made to the rating list entries.

Introduction

2. In accordance with regulation 13A of the Non-Domestic Rating (Alteration of Lists and Appeals) (England) Regulations 2009, four appeals have been made to this Tribunal on the grounds that the rateable value (RV) valuations for the appeal properties are not reasonable.

3. The panel consolidated the hearing of the appeals, as the supporting evidence in the cases was very similar. Further, in each case the appellants' representative was the same, as was the Valuation Officer's (VO) caseworker.

4. Each one of the appeal properties were entered in the 2017 rating list as "offices and premises". A brief history of each list entry and the parties' respective positions is summarised as follows:

Findlay Park Partners LLP
(Excl NE) 4th Flr Almack House, 28, King Street, London, SW1Y 6QW

- Original RV £855,000 effective from 1 April 2017.
- Proposal sought a reduction to £665,000 from the same date.
- VO decided to reduce the RV to £835,000 from 1 April 2017.
- Appellant now sought a reduction to RV £685,000.

Jordan International Bank PLC
1st Flr West Almack Hse, 28, King Street, London, SW1Y 6QW

- Original RV £640,000 effective 8 May 2018.
- Proposal sought a reduction to £497,500 from the same date.
- VO decided not to reduce the RV. However, the live RV in the 2017 rating list was £620,000.
- Appellant now sought a reduction to RV £510,000.

Findlay Park Partners LLP
4th Flr NE Almack House, 28, King Street, London, SW1Y 6QW

- Original RV £330,000 effective 1 April 2017.
- Proposal sought a reduction to £257,500 from the same date.
- VO decided to reduce the RV to £320,000 from 1 April 2017.
- Appellant now sought a reduction to RV £262,500.

Jordan International Bank PLC
Grd Flr Fnt East, Almack Hse 28, King Street, London, SW1Y 6QW

- Original RV £47,000 effective 1 April 2017.
- Proposal sought a reduction to £35,000 from the same date.
- VO decided not to reduce the RV. However, the live RV in the 2017 rating list was £44,500.
- Appellant now sought a reduction to RV £34,750.

5. Mr Evans, as representative for the two appellants, appeared in a dual role of advocate and expert witness. He stated that he was being paid on a contingency fee basis but was aware that in giving expert evidence his responsibility was to the Tribunal.

6. Mr Tawonezvi, for the VO, also appeared in a dual role of advocate and expert witness. He confirmed that he was not instructed under any conditional or other success-based fee arrangement.

7. The dual role is allowable in this Tribunal's proceedings having regard to procedure regulations[1] and rules regarding admissibility of evidence[2]. However, it was necessary to consider the "expert" evidence and assess what weight, if any, to give it in the context of the matters in issue.

8. This statement of reasons is not and does not purport to be a full verbatim record of the proceedings.

Preliminary matters

9. Prior to the hearing a separate decision had been made by the Tribunal to admit and exclude new evidence submitted by both parties. This was notified to the parties in a decision dated 9 January 2025 with reasons. Subsequent to that decision, Mr Evans confirmed that he was now happy to allow the whole of the VO's evidence to be admitted (some of which had been excluded) as it had previously been discussed during the challenge period. The Tribunal therefore allowed that evidence to be admitted.

10. Further, with the agreement of Mr Tawonezvi, Mr Evans stated that 16 Babmaes Street was no longer assessed at £850/m^2 and had been settled at £800/m^2. The panel therefore gave permission for this to be admitted into the proceedings.

Relevant Law

11. The term "rateable value" was defined in Schedule 6 to the Local Government Finance Act 1988 (as amended). The value was required to reflect an annual rent on the property, assuming a new letting with the tenant being responsible for all rates, taxes, repairs and insurance. In respect of all entries in the 2017 rating list, the Rating Lists (Valuation Date) (England) Order 2014 requires the rental levels to be taken on 1 April 2015, the antecedent valuation date (AVD).

[1] Regulation 3 (Discharge of VTE functions – general) of the Valuation Tribunal for England (Council Tax and Rating Appeals) (Procedure) Regulations 2009.
[2] Regulation 17(2)(a) (Evidence and submissions) of the Valuation Tribunal for England (Council Tax and Rating Appeals) (Procedure) Regulations 2009.

Discussion

12. The issue in dispute in the four appeals concerned the price per square metre to be adopted in each of the rating assessments. The representative for the appellants sought a reduction of the VO's adopted price of £975/m^2 to £800/m^2.

13. The appeal properties were all offices located in Almack House, 28 King Street, which was in Central London close to Pall Mall. This had been built in 1931 and refurbished in 2009.

14. Mr Evans referred to an agreement at £850/m^2 on 6th Flr West Almack House. Mr Tawonezvi stated at the end of the hearing that this had been agreed with a graduate caseworker acting for the VO but had not been signed off by an experienced caseworker. In the panel's opinion, this reduced the persuasiveness of that evidence.

15. There was limited rental evidence close to the AVD in respect of Almack House. However, the panel noted that there were two rent reviews agreed in June 2015. Both rents devalued to £988/m^2. Mr Tawonezvi had adjusted them back to the AVD, so they became £961/m^2 but had then added a £25/m^2 fit out, resulting in £986/m^2. This had influenced the VO in his decision to reduce the rating assessments in Almack House from £1,000/m^2 to £975/m^2.

16. Mr Evans relied on a number of settled appeals in the locality ranging from £800/m^2 to £1,000/m^2. The panel preferred to give greatest weight to the settlements at 23 and 33 King Street which were the two neighbouring buildings to Almack House situated either side of it. They had been initially assessed at £1,100/m^2 and subsequently agreed at £1,000/m^2. When asked, Mr Tawonezvi stated that the settlements on 23 and 33 King Street were based on the rental evidence in respect of those buildings.

17. Less weight was given to the settlements in respect of offices located further away, including 16 Babmaes Street and 50 Pall Mall.

18. The panel noted that 15 King Street, opposite 23 King Street, had been assessed at £900/m^2 (reduced from £1,100/m^2).

19. Number 33 King Street had a corner on St James's Square which both representatives agreed was a more prestigious location.

20. Mr Evans argued that Almack House should have a lower price per square metre than 23 and 33 King Street because those two buildings had been refurbished to a higher specification. When asked about the differences between Almack House and its immediate neighbours, Mr Evans referred to the reception area, toilets and cycle facilities but it was unclear to the panel listening to his explanation precisely what the differences were. Further questioning revealed that 33 King Street had been refurbished in 2010 and 23 King Street in 2012. Mr Evans had been inside 23 King Street but had not been in 33 King Street.

21. No photographs of the interiors had been provided to show a difference between Almack House and 23 or 33 King Street.

22. In view of the absence of internal photographs and the lack of clarity over the differences between offices, the panel was not persuaded that there was sufficient evidence to show a discernible distinction in the quality of the offices.

23. Overall, the panel was satisfied that the appeal property's assessments were reasonable having regard to the rental evidence for Almack House that was close to the AVD. In addition, the appeal properties had been assessed at a lower price per square metre than the settled appeals in respect of offices in the neighbouring buildings, 23 and 33 King Street. The settlement in respect of 6th Flr West Almack House appeared to the panel to be out of line with the other evidence.

Disposal

24. In view of the above findings and conclusions, the panel was not satisfied that any further reductions in the rating list entries were warranted. The appeals were therefore dismissed.

Date issued to parties: 14 February 2025

Right of further appeal

Any party who is aggrieved by the Tribunal's decision, and who appeared or was represented at the hearing, has the right of appeal to the Upper Tribunal (Lands Chamber). Any such appeal should be made within four weeks of the date of this decision notice.
