IN THE VALUATION TRIBUNAL FOR ENGLAND
IN THE MATTER OF A 2017 RATING LIST APPEAL

Case No: CHG100733466

Sitting remotely using Microsoft Teams

Date: 17 November 2025

SCHEDULE 11 TO THE LOCAL GOVERNMENT FINANCE ACT 1988

Non-Domestic rating; Local Government Finance Act 1988; Rate per m^2; Denton v TH White Ltd [2014] 1 WLR 3926; Bunyan (VO) v Acenden Limited 2023 UKUT 17 (LC); Lotus and Delta v Culverwell (VO) [1976] RA 141; Comparable Properties; Appeal allowed.

Before:

MR CM TAYLOR
MR SM HOOBERMAN

Between:

LMA RECRUITMENT LIMITED — **Appellant**

- and -

NICOLA JOHNSON (VALUATION OFFICER) — **Respondent**

Regarding:
GND F PELLIPAR HSE 9, CLOAK LANE, LONDON EC4R 2RU
(the appeal property)

Mr Tom Bosley of Ryan Property Tax Services UK Limited for the appellant,
Mr Peter Emmerton for the respondent.

Hearing date: 27 October 2025

DECISION AND STATEMENT OF REASONS

Decision

1. The appeal was allowed.

2. The panel found that an end allowance for quality of 12.5% was reasonable for the appeal property giving a rateable value (RV) of £97,500 with effect from 1 April 2017.

Introduction

3. The appellant sought a reduction in the 2017 rating list RV from £111,000 to £97,500 with effect from 1 April 2017 based on an end allowance of 12.5% for the quality of the property.

4. A challenge was submitted on 29 September 2021 as the appellant was of the opinion that the allowance was appropriate for the appeal property as it did not undergo any refurbishment in 2011, whereas the upper floors did.

5. The respondent considered the challenge but found that the proposal was not well-founded and disagreed with the proposed alteration of the list.

6. 9 Cloak Lane was a 1900's built property which underwent a refurbishment in 2011 to provide modern Grade A office accommodation. It was an office building arranged over basement, ground and six upper floors. The appeal property was on the ground floor.

7. The appellant was represented by Mr Chris Cates as advocate and Mr Tom Bosley as expert witness both of Ryan Property Tax Services Limited. In view of the Upper Tribunal's judgment in *Gardiner & Theobald LLP v David Jackson (VO)* [2018] UKUT 0253 (LC) Mr Bosley confirmed that he was instructed under a conditional fee arrangement. He declared that he understood and accepted that his duty was to the Tribunal in giving his evidence and that he would comply with this as well as the requirements of his professional body, regardless of whether or not the evidence supported the client's case.

8. The panel accepted this expert witness evidence on the above basis as the appeal was not complex and to do otherwise would be contrary to regulation 3 (Discharge of VTE functions – general) of the Procedure regulations and was allowable due to the Tribunal's rules on admissibility of evidence (regulation 17(2)(a) where the Tribunal can admit evidence whether or not it would be admissible in a civil trial).

9. The panel therefore considered the expert evidence and attached such weight to it as it saw fit.

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

Preliminary matter

11. Prior to the hearing there had been a variety of emails between the parties and the tribunal.

12. On 30 April 2025 the VO's representative had submitted new evidence in respect of the £25/m^2 Category A/B fit-out cost for central London offices from the *Bunyan (VO) v Acenden Limited 2023* UKUT 17 (LC) case. He also included the Marketing brochure for 9 Cloak Lane where it stated that "The property comprises an office building arranged over basement, ground and six upper floors, which was refurbished in 2011".

13. On 1 May 2025 he also submitted new evidence provided by the occupying company in its Form Of Return (FOR). He stated that the evidence was in respect of a lease for the first floor of 9 Cloak Lane commencing 27 June 2013 and for the ground floor commencing 1 August 2012.

14. On 20 October 2025 he further submitted a copy of the lease dated 30 August 2012 for the appeal property that had been emailed to him by the appellant's representative, he complained that this had been submitted unacceptably late. The lease was for a term of ten years at a rent of £123,800 per annum with a break clause after five years on 1 September 2017 and a rent commencement date of 1 September 2014.

15. The appellant's representative emailed on 20 October 2025 stating that the lease had been supplied in 2022 and again on 9 October 2025. He had also stated that there was conflicting evidence between the FOR and the lease.

16. On 21 October 2025 the appellant's representative submitted three photographs of the basement, ground and upper floor. The basement and ground floor photos were from February 2021 when the property was inspected and the upper floor was from the investment particulars from February 2017.

17. On 23 October 2025 the VO's representative withdrew his submission of 1 May 2025 but submitted two new pieces of evidence of the appeal property rent with and without a rent premium taken from the FOR. He also submitted new evidence from the open source web page of the owner who refurbished 9 Cloak Lane in 2011.

18. The appellant's representative objected to the inclusion of this evidence on the grounds that the VO's representative had had the evidence since May 2025 and it was unreasonable to submit it now. The rent and rate/m^2 were different and this highlighted the differences between the FOR and the actual lease.

19. The panel was therefore required to consider this as a breach of the Tribunal's Directions and therefore had regard to the three-stage Test set out in *Denton v TH White Ltd [2014]* 1 WLR 3926 before applying sanctions.

20. Stage one of that test requires the Tribunal to determine the significance and seriousness of the breach: if the breach is neither, then relief should usually be granted. The panel found that the breach was serious and significant.

21. Stage two, the Tribunal must consider the reasons why the failure and default occurred: if the defaulting party has good reasons why they failed to meet the requirements of the direction, relief should usually be granted. The VO's representative submitted that there were issues regarding non-disclosure and Data Protection. However, the panel had been informed that there had been previous disclosure.

22. Stage three, the Tribunal must have regard to all of the circumstances of the case, the need for litigation to be conducted efficiently and at proportionate costs, that the failure to grant relief may leave an inaccuracy in the list and the need to enforce compliance with the Rules, Directions and Orders of the Tribunal. The panel found that as the new evidence was fundamental to this case, in the interests of justice it must be allowed.

Relevant Law

23. Local Government Finance Act (LGFA) 1988.

24. *Lotus and Delta v Culverwell (VO)* [1976] RA 141

Discussion

25. The panel was aware that rateable value (RV) should be assessed in accordance with The Local Government Finance Act 1988 Schedule 6, paragraph 2 (1).

26. "The rateable value of a non-domestic hereditament none of which consists of domestic property and none of which is exempt from local non-domestic rating shall be taken to be an amount equal to the rent at which it is estimated the hereditament might reasonably be expected to let from year to year….."

27. Further, in respect of an appeal against an entry in the 2017 rating list, the rental levels are to be taken as those passing at the antecedent valuation date (AVD) of 1 April 2015. The material day, the date by which physical factors have to be taken into account in respect of this appeal, was 1 April 2017.

28. The panel was also aware that the leading case law in non-domestic property valuation was *Lotus and Delta v Culverwell (VO)* [1976] RA 141 which sets out the manner by which a property should be valued. This judgment provided authoritative guidance on the weight to be attached to rental and assessment evidence. The rent on the subject property was considered to be the correct starting point and then rents and assessments on other comparable properties. All of the evidence could then be weighted.

29. The appellant's advocate stated that 9 Cloak Lane was refurbished in 2011, however only the upper six floors were done, the ground and basement floors were not. The basement floor had been given a 12.5% end allowance for this reason and the appellant sought the same end allowance for the ground floor. All of the floors in the appeal property were valued at a rate of £400/m^2.

30. The appellant's expert witness stated that the basement and ground floors were in the same condition and both in a worse condition than the upper six floors. He had included photos of the basement, ground and an upper floor for comparison. He had also included a copy of the Property Investment particulars where it stated that "The property, excluding the 2nd, ground and lower ground floors underwent a comprehensive refurbishment in 2011 to provide modern Grade A office accommodation." On questioning, the appellant's representative was not aware of the reasons why the basement and ground floors were not included in the refurbishment, however, he had inspected the appeal property and stated that the ground floor had clearly not been refurbished.

31. The appellant was in occupation of the appeal property prior to 2011 and signed a new lease in 2012. The panel had been informed that the FOR had been completed by the appellant's financial officer in 2021.

32. The VO's representative stated that the appeal property had been refurbished in 2011 and therefore no end allowance was due.

33. He referred to the original challenge where he stated that the appellant had applied for a 25% end allowance that was rejected by the VO and contended that this appeal was therefore res judicata. However, no such documentation had been submitted to the tribunal panel and, in any case, an appeal of that nature was not heard by this tribunal and the panel found that res judicata was therefore not relevant. The panel referred to the VO representative's "Summary of challenge case and decision" in his evidence folder advising

that there was no reference to a 25% end allowance. The panel gave very little weight to this matter.

34. The VO's representative then highlighted the differences between the 2012 lease and the FOR. The lease was for 10 years at a rent of £123,800 whereas the FOR was 5 years at a rent of £140,000. He contended that the higher rent in the FOR demonstrated that the ground floor had been refurbished in 2011. He also submitted that the basement had been given a 12.5% allowance because of its lower standard of fit-out.

35. The panel found that the 2012 lease, signed and dated, was a more reliable document than the FOR from a financial officer of the occupying company supplied in 2021.

36. The panel referred to the photographs supplied of the various floors and found that it was clear that the ground floor had not been refurbished in the same manner as the upper floor, it was much more akin to the basement.

37. The panel found that the appellant's representatives had supplied sufficient evidence in support of the appeal. In particular the 2012 lease and the photographs bore out the fact that the ground floor had not been refurbished in 2011.

Decision

38. In view of the above findings and conclusions, the panel found that an end allowance of 12.5% was due for the appeal property that reduced the RV to £97,500 with effect from1 April 2017.

39. The appeal was therefore allowed.

Description	Area m^2/unit	£ per m^2/unit	Value
Ground floor office	278.78	£400.00	£111,512
less 12.5% allowance for quality			-£13,939
Total			£97,573
Rateable value (rounded down)			£97,500

Order

Under the provisions of regulation 38(4) of the Valuation Tribunal for England (Council Tax and Rating Appeals) (Procedure) Regulations 2009, the respondent is ordered to amend the entry in the 2017 rating list with effect from 1 April 2017 to £97,500. Under regulation 38(9), the respondent must comply with this order within two weeks of the date of its making.

40. As the grounds of the appeal has been made out, the appeal fee is to be refunded in full. This will take approximately six weeks to process.

Right of further appeal

41. Any party who is aggrieved at the Tribunal's decision, and who appeared or was represented at the hearing, has a statutory right of further appeal to the Upper Tribunal (Lands Chamber) pursuant to Regulation 42 of the Tribunal Procedure Regulations. A party does not require permission to appeal from the Tribunal. Any appeal must be made directly to the Upper Tribunal (Lands Chamber) within **four weeks** of the date this decision and statement of reasons is issued.

42. Further information regarding this statutory right of further appeal, and the parties' other rights, is contained in the guidance booklet "*A guide to tribunal decisions*" available on the Tribunal's website at www.valuationtribunal.gov.uk/guidance-booklets/.

Mr CM Taylor, Senior Member (Presiding)
Mr SM Hooberman, Member

17 November 2025

Mr D Adamson
Clerk to the Tribunal
Date issued to the parties: 17 November 2025