VALUATION TRIBUNAL FOR ENGLAND

2017 Rating List Appeal: Factory and Premises; end allowance for planning restrictions in dispute; Local Government Finance Act 1988; comparable property evidence; appeal dismissed.

APPEAL NUMBER:	CHG100804922	
RE:	Verco Office Furniture Limited, Chapel Lane, High Wycombe, HP12 4BG (the "appeal property")	
BETWEEN:	Verco Office Furniture Limited	Appellant
	and	
	Lucy Dyer (Valuation Officer)	Respondent
SITTING:	Remotely using Microsoft Teams	
ON:	Monday 17 March 2025	
BEFORE:	Mr P Blythe-Bartram, Presiding Senior Member Miss R Punia, Member	
CLERK:	Mrs L Horne	
APPEARANCES:	Mr A Moore from Ryan (previously Altus Group), representing the appellant Mr C Skerratt representing the Valuation Officer	

DECISION AND STATEMENT OF REASONS

Decision

1. The appeal is dismissed. The panel confirmed the rateable value (RV) of the appeal property at £515,000 with effect from 1 April 2017.

Introduction

2. This is a 2017 rating list appeal. Verco Office Furniture Limited, Chapel Lane, High Wycombe, HP12 4BG (the appeal property) had been entered in the 2017 rating list as 'factory and premises' at an RV of £515,000 with effect from 1 April 2017.

3. The challenge proposal was submitted by Altus Group on behalf of Verco Office Furniture Limited, and was received by the Valuation Officer on 11 May 2022. It had been made on the grounds that the RV shown in the rating list on 1 April 2017 was inaccurate. A revised RV of £435,000 was proposed with effect from 1 April 2017, based upon the addition of a 5% end allowance for planning restrictions, and a 5% end allowance for mixed ages.

4. The Valuation Officer issued a challenge case decision notice on 10 November 2023, which disagreed with the proposed alteration of the list and stated that the rating list entry was reasonable based on the evidence and information available.

5. In accordance with regulation 13A of the Non-Domestic Rating (Alteration of Lists and Appeals) (England) Regulations 2009, the appeal to this Tribunal has been made on the grounds that the valuation for the hereditament is not reasonable. The appeal was lodged by Altus Group on behalf of the appellant, and received by the Tribunal on 6 March 2024.

6. Mr Moore appeared on behalf of the appellant as both advocate and expert witness. In view of the Upper Tribunal's judgment in *Gardiner & Theobald LLP v David Jackson (VO)* [2018] UKUT 0253 (LC), he declared that he was instructed under a contingency based fee. He confirmed 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.

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

8. At the hearing, Mr Moore confirmed that he had revised his proposed valuation to £492,500 RV, to reflect the addition of a 5% end allowance for planning restrictions; the addition of a 5% end allowance for mixed ages was no longer in dispute.

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

Relevant Law

10. Rateable value is determined in accordance with paragraph 2(1) of Schedule 6 to the Local Government Finance Act 1988, which provides:

    "(1) 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 on these three assumptions—

    (a) the first assumption is that the tenancy begins on the day by reference to which the determination is to be made;

    (b) the second assumption is that immediately before the tenancy begins the hereditament is in a state of reasonable repair, but excluding from this assumption any repairs which a reasonable landlord would consider uneconomic.

(c) the third assumption is that the tenant undertakes to pay all usual tenant's rates and taxes and to bear the cost of the repairs and insurance and the other expenses (if any) necessary to maintain the hereditament in a state to command the rent mentioned above.

11. 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, in accordance with the Rating Lists (Valuation Date) (England) Order 2014 (SI 2014 No. 2841).

12. The material day (the date by which physical factors have to be taken into account) was provided by the Non-Domestic Rating (Material Day for List Alterations) Regulations 1992 (SI 1992 No. 556) as amended. In respect of the subject appeal, the material day is 1 April 2017.

Discussion

13. The appeal property comprises over 20 buildings constructed from the 1940s onwards. The total significant area of the buildings is 26,039m^2 and includes:
    - Sawmill and machine shop/warehouse, built in 1997 and located in the southernmost part of the site.
    - Main manufacturing buildings, offices and stores, older buildings situated in the centre of the site.
    - Warehouses situated in the northern part of the site built in the 1980s and 1990s.

14. The present valuation of £515,000 RV is based upon the following:
    - £15.98 per m^2 for 1940s – 1954-65+ buildings.
    - £38.40 per m^2 for 1980s buildings.
    - £48.00 per m^2 for 1997 buildings.
    - End allowances of 15% for divided/split unit and 13% to equate to the 2005 list.

15. In the Valuation Officer’s Decision Notice, it was stated that the correct approach to the valuation of the appeal property in the 2010 and 2017 lists should have been to correct the adopted main base rates and not to use an end allowance to arrive at its RV. The main base rates had been adjusted by 13% and the “to equate to 2005 list” allowance had been removed.

16. The appellant’s representative sought a further 5% end allowance in respect of planning restrictions. With reference to a site map and a copy of the planning restrictions, he contended that this was a disability which restricted the hours of use for an important part of the factory. Mr Moore referred to an agreement made in respect of Unit A, The Heights Business Park, Stockenchurch, HP14 3BG, for which a 5% end allowance had been agreed to reflect the restricted hours of use on an industrial property between the hours of 7am and 11pm.

17. On behalf of the Valuation Officer, Mr Skerratt disputed that a further end allowance of 5% was warranted. He submitted that the present end allowance of 15% was generous and reflected all disabilities of the appeal property. He further highlighted that the assessment had been agreed with professional representatives since the 1995 rating list and that all perceived disadvantages would have been fully considered. With reference to the planning restrictions, Mr Skerratt submitted that they had a minimal effect as they only related to the new warehouse, and did not extend to the whole site.

18. The panel referred to the copy of the planning restrictions. Although not dated, Mr Skerratt believed that they would have been issued in 1993 or 1994, prior to the addition of the warehouse in 1997. In summary, the restrictions were as follows:
    - Noise levels at the northern boundary should not exceed 50 dB(A) between 7.00am and 6.00pm Monday to Friday, or between 7.00am and 1.00pm on Saturday.
    - Noise levels should not exceed 40 dB(A) at any other time.
    - Vehicle movements into or out of the new warehouse site were restricted to the hours of 7.00am to 9.00pm Monday to Saturday; no vehicle movements were permitted on Sundays or Bank Holidays.
    - No sound reproduction equipment which is audible outside the premises should be installed on site without prior written consent of the Local Planning Authority.

19. The reason stated for the restrictions was to protect the amenities of the occupiers of nearby properties, namely two residential properties situated to the north of the site.

20. While there appeared to be some dispute between the parties as to the specific buildings affected in the photographs provided, it was clear to the panel that the planning restrictions had been issued in respect of the new warehouse only. Consequently, the planning restrictions did not affect the whole site and therefore the panel was not persuaded that this warranted a further end allowance. The panel considered that the present end allowance of 15% was sufficient to reflect all disabilities. As highlighted by Mr Skerratt, the assessment had been considered on several occasions for the previous rating lists, and had in fact remained at the same level as the 2010 list.

Disposal

21. In view of the above findings, the panel concluded that it had not been demonstrated that the present RV of £515,000 was unreasonable, and therefore the appeal was dismissed.

Date issued to parties: 28 March 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.
