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

Case No: CHG100806383

Sitting remotely using
Microsoft Teams

Date: 29 September 2025

SCHEDULE 11 TO THE LOCAL GOVERNMENT FINANCE ACT 1988

RATING — Local Government Finance Act 1988 — 2017 rating list — office and premises — Lotus & Delta Ltd v Culverwell (VO) And Leicester City Council [1976] RA 141 — tone of value for main space — end allowance —appeal allowed in-part.

Before:
MS C Y JONES
MISS AM PRICE

Between:

CHARLES HAYWARD FOUNDATION — **Appellant**

- and -

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

Regarding:
45, HARRINGTON GARDENS, LONDON SW7 4JU
(the “subject hereditament”)

Mr M Evans of Ryan Property Tax Services UK Limited for the **Appellant**
Ms T Adeyemi of the Valuation Office Agency for the **Respondent**

Hearing date: 12 September 2025

DECISION AND STATEMENT OF REASONS

Decision

1. The appeal is allowed-in-part. The panel determined the rateable value (RV) of the subject hereditament to be £118,000 with effect from 1 April 2017.

Introduction

2. The appeal process began with a proposal made by the Appellant on 16 May 2022 in respect of the Valuation Officer's (VO) list entry of the subject hereditament at £140,000 RV with effect from 1 April 2017. The Appellant proposed a revised assessment from that date based on a reduced tone of value for main space of £465 per m^2 and an increased end allowance.

3. The Respondent issued a challenge case decision notice on 23 August 2023 which stated that the existing rating list entry was unreasonable. The Respondent reduced the assessment to £127,000 RV based on a revised tone of main space from £550 per m^2 to £500 per m^2. The Appellant appealed that decision to this Tribunal on 24 October 2023, on the grounds that the valuation for the subject hereditament remained unreasonable.

4. The subject hereditament was an office and premises located in the Grade II listed building Hayward House.

5. Mr Evans appeared on behalf of the Appellant as both advocate and expert witness. In view of the Upper Tribunal's judgment in *Gardiner & Theobold LLP v David Jackson (VO)* [2018] UKUT 0253 (LC), the representative 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 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.

6. The panel accepted this expert witness on the above basis as the parties agreed the appeal was not complex and to do otherwise would be contrary to regulation 3 (Discharge of Valuation Tribunal for England (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). The panel therefore considered the "expert" evidence and attached such weight to it as it saw fit.

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

Issue

8. The panel was required to determine the correct RV to be attributed to the subject hereditament in the 2017 rating list. The issue in dispute concerned the tone of value for main space and an end allowance.

Relevant Law

9. The subject hereditament must be valued for the purpose of non-domestic rating on the basis of the rent at which it might reasonably be expected to be let from year to year on a number of assumptions. Those assumptions are listed in paragraph 2(1) of Schedule 6 to the Local Government Finance Act 1988.

10. In accordance with the Rating Lists (Valuation Date) (England) Order 2014 (SI:2014 No.2841), the date of the hypothetical rent was 1 April 2015, the antecedent valuation date (AVD). This common date was used to ensure that every property was treated in a consistent way.

11. Matters that affected the physical state or enjoyment of the property or the locality were to be taken at the material day, as outlined by the Non-Domestic Rating (Material Day for List Alterations) Regulations 1992 (SI 1992 No. 556) as amended. In respect of the subject hereditament, the material day is 1 April 2017.

12. The Lands Tribunal decision of *Lotus & Delta Ltd v Culverwell (VO) and Leicester City Council* [1976] RA 141 is referred to in this decision.

Discussion

Tone of value for main space

13. It is a well-established rating principle that the starting point in the determination of a property's RV should be the rent passing on the subject hereditament itself. No rent at the subject hereditament was provided.

14. The Respondent referred to a comparable assessment on the same road as the subject hereditament with rental evidence. 39 Harrington Gardens had a lease renewal from 1 August 2016 at a rent of £184,800 for a ten-year term. The Respondent had analysed the rent to £466.69 per m^2, and the adopted tone of value for main space was £550 per m^2. Mr Evans contended that the analysed rent factored in the allowance given for listed building restriction in the assessment and argued that it would be lower otherwise.

15. The Respondent also referred to 110 Old Brompton Road. It was described by the Respondent as a listed building very similar to the subject hereditament and within the S7 area. It had its tone of value for main space reduced from £550 per m^2 to £500 per m^2. At the hearing, Mr Evans stated that the tone of value for main space at that hereditament had been further reduced to £425 per m^2 following a challenge. Ms Adeyemi contended that 110 Brompton Road remained a strong comparable property, but less weight should be applied to it than 39 Harrington Gardens.

16. Mr Evans contended that there was a tone reduction to £465 per m^2 following settlements for what he described as period office space around South Kensington, which he argued demonstrated a clear established tone in the locality. Mr Evans stated that those properties were also listed buildings like the subject hereditament. Ms Adeyemi argued that those properties were not comparable as they were converted period properties.

17. The panel was unable to consider any passing rent at the subject hereditament as none was provided. The panel considered the rental evidence provided by the Respondent for 39 Harrington Gardens. Whilst in the direct vicinity of the subject hereditament, the panel noted that the building was significantly larger. It found the letting to be less reliable as it was a rent renewal and it was also agreed over a year from the AVD. There was also a differential in the rental analysis between the Appellant and Respondent. The panel therefore placed little weight on the rent at 39 Harrington Gardens.

18. The panel turned to consider the comparable assessments submitted by the parties. 110 Brompton Road was described by the Respondent as very similar to the subject hereditament and within the SW7 area. In the challenge decision, its tone of value for main space of £500 per m^2 was stated to support the tone at the subject. However, Mr Evans had stated that it had been further reduced to £425 per m^2. The panel found observed that the Respondent had referred to the property in supporting the tone at the subject hereditament, yet Ms Adeyemi argued at the hearing that less weight should be placed on it, which the panel found to be coincidental given now its tone of value had now been significantly reduced.

19. The Appellant had also provided several comparable assessments which he argued established a tone for such offices and premises within the locality of £465 per m^2. The panel was not convinced that those properties being converted would make a comparative tangible difference in value to the subject hereditament given that all of the hereditaments submitted in the appeal were still listed buildings.

20. Given the little weight the panel applied to the rent at 39 Harrington Gardens for the aforementioned reasons, the reliance on 110 Brompton Road described by the Respondent as similar to the subject in its locality which now had a tone of value for main space of £425 per m^2, and the provision of several comparable assessments by the Appellant with a tone of value of £465 per m^2 within the locality which the panel deemed similar to the subject hereditament, the panel determined a revised tone of value for main space at the subject hereditament of £465m^2 to be both fair and reasonable in this instance.

<u>*End allowance*</u>

21. Mr Evans sought a 15% end allowance rather than the 10% already applied to the assessment. He argued that the allowance was 15% in the 2010 list and had been reduced on no basis. He also contended that 39 Harrington Gardens had a 20% end allowance given for similar disadvantages at the subject hereditament. Ms Adeyemi stated that the allowance given in the 2010 list was reviewed by the VO for the 2017 list and considered to be excessive when compared to 39 Harrington Gardens given that property suffered from a more restrictive layout with less natural light.

22. The panel was not persuaded by Mr Evans' argument that the allowance should be increased in line with the allowance given on the 2010 list. The panel considered that each rating list was a fresh list based on available evidence when the list was compiled. As such, just because an allowance was awarded on a previous list, it does not necessarily follow that the same should apply on a subsequent list. The panel was satisfied with the reasons given by Ms Adeyemi for the differential between the subject hereditament's allowance and that of 39 Harrington Gardens and therefore was content that the allowance remained at 10%.

Determination

23. The panel determined that the tone of value for main space was £465 per m^2, and the end allowance should remain at 10%. The revised assessment for the subject hereditament's 2017 rating list entry with effect from 1 April 2017 is as follows:

COMPONENT PARTS OF PROPERTY				
Floor	**Description**	**Area m2/unit**	**£ per m2/unit**	**Value (£)**
Ground	Office	136.10	465	63,287
Ground	Kitchen	3	232.50	698
First	Office	140.3	465	65,240
Mezzanine	Internal Storage	11.5	232.50	2,674
			Valuation sub-total	131,899
ADJUSTMENTS MADE TO SUB-TOTAL				
			Listed building restriction	-10.00%
				118,709
			Say RV	**118,000**

24. In view of the foregoing, the appeal was allowed in part as the Respondent's valuation of the subject hereditament was determined unreasonable, but not to the extent as sought by the Appellant.

25. In accordance with Regulation 38(4) and (9) of the Valuation Tribunal for England (Council Tax and Rating Appeals) (Procedure) Regulations 2009, the Respondent is ordered to alter the subject hereditament's entry in the rating list to £118,000 RV with effect from 1 April 2017. The Respondent must comply with this order within two weeks of its making.

26. Any fee paid will be refunded in full in accordance with Regulation 13E of the above Regulations.

Right of further appeal

27. 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.

28. 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/.

Ms C Y Jones, Senior Member (Presiding)

Miss AM Price, Senior Member

29 September 2025

Sam Fletcher
Clerk to the Tribunal
Date issued to the parties: 29 September 2025

Addendum

29. Following the release of the panel's decision on 29 September 2025, the Tribunal became aware of a clerical error in the "Discussion" section of the decision. The original decision incorrectly detailed part of the decision-making process to consider "Scope of Proposal". This was a clerical error and should have read "End allowance". The decision record has therefore been altered, following authorisation by the Chair under Regulation 39 of the Valuation Tribunal for England (Council Tax and Rating Appeals) (Procedure) Regulations 2009.

Date when amended decision was released: 1 October 2025.