VALUATION TRIBUNAL FOR ENGLAND

2017 Rating List Appeal appeal: Local Government Finance Act 1988; dispute about appeal property being in rating list; Brook (VO) v Greggs Plc and others [1991] LT RA 61; Ladies Hosiery v West Middlesex Assessment Committee [1932] RA 679; appeal dismissed.

APPEAL NUMBER:	CHG100930670
RE:	UNIT 502I Hot Desk & Communal Areas, Daisyfield Business Centre, Blackburn BB1 3BL (the "appeal property")

BETWEEN:	EP (PROPERTIES) LTD	Appellant
	and	
	Ms A Hitchings (Valuation Officer)	Respondent

SITTING:	*Remotely using Microsoft Teams*
ON:	30 April 2024 10:00
BEFORE:	Mrs L Long, Presiding Senior Member Mr M H Smith, Senior Member
CLERK:	Richard Gath IRRV(Hons)
APPEARANCES:	I D (company representative) S T (Asset manager) Mr J Smallwood (Valuation Officer's representative)

DECISION AND STATEMENT OF REASONS

Decision

1. The appeal is dismissed.

2. The Tribunal Panel concluded that the appeal property must remain in the 2017 rating list.

Introduction

3. This appeal has been brought in respect of UNIT 502I Hot Desk and Communal Areas, Daisyfield Business Centre, Blackburn BB1 3BL which was entered in the 2017 rating list as

'Office and premises' at rateable value £13,500 effective from 1 July 2021. The appeal property is located on the fourth floor of a former mill. It used to be Unit 502 but it was subsequently split and divided into nine units forming serviced offices. However, the Valuation Office Agency (VOA), decided that the two empty floor spaces, which had a Net Internal Area (NIA) of 249m^2 should be placed in the 2017 rating list. The Appellant considered that the floor areas should not have been entered into the 2017 rating list.

4. In accordance with regulation 13A of the Non-Domestic Rating (Alteration of Lists and Appeals) (England) Regulations 2009, the Appellant made an appeal to this Tribunal because he disagreed with the appeal property being placed in the 2017 rating list. The appeal to this Tribunal has been made on the grounds that the valuation for the appeal property is not reasonable[1].

5. With the agreement of the parties and in order to assist the appellant, the panel varied the Tribunal's model procedure and invited the respondent to present his evidence first.

6. Mr Smallwood was representing the VOA as advocate.

7. After the hearing, photographs and plans of the appeal property were provided by the Valuation Office. These were forwarded to the panel.

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

Issue

9. The issue for determination is whether or not the appeal property should be in the 2017 rating list.

Evidence and submissions

10. The evidence bundle before the panel comprised all of the evidence disclosed and exchanged during challenge which included the parties' skeleton arguments and photographs and plans of the appeal property.

Discussion

11. Mr Smallwood contended that the Appellant had paramount control of the appeal property. He also contended that it passed the contiguous test as the floors contributed to the circulation of those clients who were using the serviced offices. He submitted that the space had value as it could be used as a kitchen or for meetings and he referred to the Lands Tribunal decision of *Brook (VO) v Greggs Plc and others* [1991] LT RA 61. This decision stated "*I agree …that the four units in the occupation …should form a single assessment but I go further; there should be included in that single assessment the loading bay, the boiler house, refrigeration room, passage ways and other items which go to make-up the whole of the residual section*".

12. He contended that the two floors were the residual parts and given the above judgment, they must be in the rating list.

[1] Regulation 13A(2) of the Non-Domestic Rating (Alteration of Lists and Appeals) (England) Regulations 2009.

13. In response to the Appellant's argument that a similar corridor had not been included in the 2017 rating list, Mr Smallwood contended that the VOA should not have removed suite 510 from the rating list and he was going to raise a report to investigate that matter further.

14. During questioning, Mr Smallwood confirmed that there was no minimum size criteria or a cut off point as to when an area would be considered to be a corridor. However, he considered that the appeal property was too large to be considered a corridor.

15. The Appellant argued that the appeal property could not be used for other purposes due to the location, layout and limited head height. They were unable to use the space to create other offices and as it was a walkway, using it for any other purposes would interfere with the tenant's enjoyment of the serviced offices.

16. He also considered that there was no benefit to the space as it could not be rented out. Furthermore, it could not be used for other purposes due to the location, layout and limited head height.

17. The Appellant also argued that the appeal property should not be in the rating list as it was only in effect a corridor and landing for the units that are located off these areas. They also referred to a similar area that the VOA had agreed to remove from the 2017 rating list following an inspection of the premises and that that there was no consistency within the VOA.

18. The clerk brought to the attention to the Tribunal, the judgment of *Ladies Hosiery v West Middlesex Assessment Committee* [1932] RA 679 which stated that "*each hereditament should be independently assessed*" and that correctness should not be sacrificed to ensure uniformity but if possible to "*obtain uniformity by correcting inaccuracies rather than making an inaccurate assessment in order to secure uniform error*".

19. This authority was binding on the panel and it applied less weight to the Appellant's argument that the other unit had been removed from the rating list as the VOA are going to be reviewing that decision.

20. The panel was mindful of the *Brook (VO) v Greggs* judgment which confirmed that areas such as the appeal property could be entered into the rating list. Furthermore, the photographs showed that it was a significant area and that it was more than one would consider to be a corridor.

21. To determine the appeal, the panel also referred to the RICS guidance. Whilst permanent circulation areas are not included in the NIA, usable parts are included. Although it was clear that there would be circulation areas for the offices, no evidence was presented by the Appellant to demonstrate that any parts of the appeal property consisted of permanent circulation areas and the plans and photographs suggested that there were no permanent circulation areas.

22. Given the above, it was clear to the panel that the appeal property consisted of usable areas which are included in the NIA and they could be used as a refreshment area, for vending machines, a breakout area, meetings or for storage.

Disposal

23. In view of the above findings and conclusions, the Tribunal panel was satisfied that the appeal property must remain in the 2017 rating list. The panel dismissed the appeal.

Date issued to parties: 7 June 2024

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.