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

Case No: CHG100959358

Sitting remotely using Microsoft Teams

Date: 27 May 2025

SCHEDULE 11 TO THE LOCAL GOVERNMENT FINANCE ACT 1988

2023 Rating List Appeal: Local Government Finance Act 1988; accuracy of the rateable value in the list as at 1 April 2017; warehoue and premises; void spaces; appeal allowed

Before:
MS AG COLE ROBERTS
DR S PENNI

Between:

STEVE COCKBURN **Appellant**

- and -

(VALUATION OFFICER) **Respondent**

Regarding:
NORWICH INSTRUMENT SERVICES LIMITED, FARADAY HOUSE, THORPE ST ANDREW NR7 0WF
(the "subject property")

Mr M Webb representing the **Appellant**
Mr L Stevens for the **Respondent**

Hearing date: 30 April 2025

DECISION AND STATEMENT OF REASONS

Decision

1. The appeal is allowed.

2. The Rateable Value (RV) was reduced to £160,000 with effect from 30 November 2020.

Introduction

3. This appeal has been brought in respect of Norwich Instrument Services Limited, Faraday House, Thorpe St Andrew NR7 0WF (the “subject property”), which was entered in the 2017 rating list as ‘office and premises’ at RV £340,000, effective from 30 November 2020.

4. In accordance with regulation 13A of the Non-Domestic Rating (Alteration of Lists and Appeals) (England) Regulations 2009, an appeal has been made to the Valuation Tribunal for England (VTE) on behalf of Steve Cockburn. The appeal was made because the appellant did not agree with the Valuation Officer’s decision to reduce the RV to £224,000 in the 2017 rating list following the challenge. The appellant sought a reduction to RV £160,000 with effect from 30 November 2020. The appellant did agree with the Valuation Officer’s decision to alter the hereditament to a warehouse and premises.

5. The appellant’s representative, when appearing as expert witness, stated that he was not on a conditional fee arrangement. However, he also stated that he understood and accepted that his first duty was to the VTE in giving his evidence, whether or not the evidence supported his client’s case. Both parties appeared as expert witness and advocate.

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

Background

7. The subject property was originally assessed as offices and premises, however, as a result of the challenge, the property is now valued as a warehouse and premises. It has a total floor area of 2,428m^2 on a gross internal area (GIA) basis. The property is an industrial unit with a steel portal frame and cladding. Internally most of the property is made up of workshop areas with vinyl floors and walls. The property has additional purpose-built ancillary offices. The property was purpose built for the testing of electrical equipment.

8. The appeal to this Tribunal was made on the grounds that the valuation for the subject property was not reasonable. The appellant’s representative, Mr Webb, argued that the valuation includes shell and core void areas which are currently assessed as works offices. He also states that the relativity applied to other areas within the assessment is also incorrect and excessive and was not dealt with correctly within the challenge process, as some of the workshops were valued as offices.

9. The respondent’s representative, Mr Stevens argued that whilst the void areas were sealed up there was potential for them to be used in the future and as such they should remain in the assessment. Mr Stevens had not visited the appeal property but had confidence that the assessment was correct based on information provided by his colleague who had visited the property.

Relevant Law

10. The term ‘rateable value’ is defined in Schedule 6 to the Local Government Finance Act 1988 (as amended):

“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”

Discussion

11. The panel had to determine the rateable value for the subject property, which represented a rent that a hypothetical landlord and tenant would agree, as at the AVD, 1 April 2017. The common date was used to ensure that every property was treated in a consistent way.

12. The Lands Tribunal judgment in *Lotus and Delta* v *Culverwell (VO) and Leicester City Council* [1976] RA 141 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 but, where available, rents on similar properties were also to be taken into account. The assessments on other comparable properties may also be relevant. All of the evidence could then be weighted. The panel noted that in this appeal the subject property was held freehold.

13. The panel turned to the void areas; Mr Webb had provided photographs of the void areas which demonstrated that they were inaccessible, a 50cm x 50cm hole had been made in the wall to allow access to take photographs as they were sealed off. There were no services to the void areas, and no concrete flooring on the second floor area so no pedestrian access. Mr Webb had referred to the case of *Scottish & Newcastle Retail Ltd v Williams* (2000). This case considered the rating principle *rebus sic stantibus* and established that for rating purposes, assessments had to be valued as they stood, not how they could potentially be. Mr Webb had also provided an example of a comparable property 136, Edinburgh Avenue, SL1 4SS to support his argument. In this example the void area was fitted out and was accessible, it had been valued with a relativity of 15% of the main space value, he argued that in this appeal the void areas were not fitted out, and there was no access and therefore they had no value.

14. The panel did not find Mr Stevens argument that the void areas had potential to be used in the future to be persuasive, it found that as they stood these areas were not useable and to facilitate any use would require more than minor alterations, which would offend the *rebus* principle and therefore, they should hold no value.

15. With regard to the relativities, Mr Webb argued that the relativity applied to certain areas was still incorrect and excessive despite the amendment from an office and premises to a warehouse and premises. Some of the areas described and valued as offices were not purpose built offices.

16. The panel noted that different relativities had been adopted for parts of the assessment which had been described as offices, however, Mr Webb argued that these areas at best could be described as works offices, and in his opinion all of the disputed areas should be valued at 110% of the main space rate i.e., £77/m^2. Mr Webb referred to photographs in the evidence pack to demonstrate the difference between the actual office area in the property and the works offices, the floors were plastic with drains in the floor so that the floors could be washed down, rather than carpeted, the walls are bare and there is limited natural light, one of the bays had a loading door. The panel noted from the photographic evidence that these areas appeared to be of a lower quality.

17. Mr Stevens stated that he had not been aware that there was drainage in the floors and accepted that this would affect the value of the works offices. On questioning Mr Stevens was unable to explain why certain areas of the ground floor had been rated as works offices and other parts had not.

18. Given the evidence before it the panel found that the areas under consideration were hybrid workshop/offices and accepted Mr Webb's argument that they should not be valued as offices as they were of a lower quality. The panel noted that some parts of the property had been valued as works offices by the valuation officer and it appeared that there was a lack of consistency in the valuation. The panel therefore accepted Mr Webb's argument for a rate of £77/m^2 for the disputed areas and an overall value of £1 for the void areas, which resulted in an RV of £160,000.

Floor	Description	Area/m2	£/m2	Value £
	Main Space		**70.00**	
Ground	Reception	72.56	92.40	6,705
Ground	Works Office	35.91	77.00	2,765
Ground	Workshop	73.52	77.00	5,661
Ground	Workshop	46.58	68.25	3,179
Ground	Workshop	75.14	77.00	5,786
Ground	Workshop	72.80	77.00	5,606
Ground	Office	30.09	92.40	2,780
Ground	Internal Storage	17.37	68.25	1,186
Ground	Clean Room	9.13	68.25	623
Ground	Staff Toilets	18.30	68.25	1,249
Ground	Workshop	89.84	77.00	6,918
Ground	Dark room	2.95	77.00	227
Ground	Works Office	246.45	77.00	18,977
Ground	Workshop	97.06	68.25	6,624
Ground	Plant Room	8.09	77.00	623
Ground	Plant Workshop	56.44	77.00	4,346
Ground	Workshop	37.07	68.25	2,530
Ground	Workshop	59.43	77.00	4,576
Ground	Workshop	84.21	77.00	6,484

First	Workshop	275.79	44.36	12,234
First	Office	77.04	92.40	7,118
First	Office	23.94	92.40	2,212
First	Server Room	10.85	87.78	952
First	Office	215.19	92.40	19,884
First	Stationary Room	16.74	87.78	1,469
First	Shower Room	7.65	77.00	589
First	Male Locker Room	24.75	77.00	1,906
First	Female Locker Room	13.76	77.00	1,060
First	Staff Toilets	25.09	44.36	1,113
First	Mess/Staff Room	96.80	84.70	8,199
First	Workshop	57.11	44.36	2,533
Second	Internal Storage	327.53	27.30	8,942
Additional	Balcony	43.62	0.00	
	Storage Container	2.00	300.00	600
	Storage Container	1.00	300.00	300
	Plant and Machinery			
	Surfaced Open Areas	40.00	125.00	5,000
Ground	Void	313.95	1.00	
Ground	Void	47.53	1.00	
Ground	Void	66.34	1.00	
First	Void	564.05	1.00	
Second	Mezz	54.09	1.00	
		Total		160,956
			RV	160,000

Determination

19. In view of the above findings and conclusions, the appeal was allowed.

20. 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 entry in the rating list to RV £160,000.

21. The respondent must comply with this order within two weeks of its making.

22. Any fees paid will be refunded in full in accordance with regulation 13E of the above Regulations.

Right of further appeal

23. 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.

24. 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 AG Cole Roberts, Senior Member (Presiding)

Dr S Penni, Senior Member

27 May 2025

Clerk to the Tribunal
Date issued to the parties: 27 May 2025