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

Case No: CHG101080663

Sitting remotely using
Microsoft Teams

Date: 4 June 2025

SCHEDULE 11 TO THE LOCAL GOVERNMENT FINANCE ACT 1988

RATING — Local Government Finance Act 1988 —storage depot - allowances for fragmentation – comparable properties

Before:
MRS O O ROBSON
MR A SHETH

Between:

BRITISH TELECOMUNICATIONS PLC **Appellant**

- and -

ANDREW MOULAND
(VALUATION OFFICER) **Respondent**

Regarding:
277 LINCOLN ROAD, ENFIELD, MIDDLESEX EN1 1SY
(the "subject property")

Mr S Dowds-Jones of Colliers International, for the Appellant
Ms S Anderson, for the Respondent

Hearing date: 6 May 2025

DECISION AND STATEMENT OF REASONS

Decision

1. The appeal is allowed.

2. The Tribunal finds that the correct rateable value for the subject property is £203,000 with effect from 1 April 2017.

Introduction

3. The appellant made a proposal to challenge the entry in the compiled 2017 rating list of £229,000 with effect from 1 April 2017. The proposal sought a reduction to £197,000. The Valuation Officer (VO) did not find the proposal to be well founded, but a Challenge decision was issued on 14 August 2024 reducing the existing entry in the rating list to £214,000. An appeal against that decision was received by the Tribunal on 12 December 2024.

4. Ms Anderson stated that she was appearing as both Advocate and Expert Witness for the respondent and provided her statement of truth prior to the hearing.

5. In view of the Upper Tribunal's judgment in *Gardiner & Theobold LLP v Jackson (VO)* [2018] UKUT 0253 (LC), Mr Dowds-Jones declared that he was also appearing for the appellant in a dual role as Advocate and Expert Witness, presenting an evidence pack prepared by a colleague. He confirmed that his firm was instructed under a conditional or other success-based fee arrangement, but he understood his duty was to the Tribunal, regardless of whether the evidence supported his client's case.

6. The panel accepted this expert witness evidence on the above basis as the appeal is not complex and to do otherwise would be contrary to regulation 3 (Discharge of VTE functions – general) of the Valuation Tribunal for England (Council Tax and Rating Appeals) (Procedure) Regulations 2009 and is 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). It was therefore appropriate for the panel hearing the evidence to consider the 'expert' evidence and assess what weight, if any, to give it in the context of the matters in issue before it.

7. The subject hereditament is an industrial building valued as a storage depot. The VO recorded it as having been constructed in around 1972 and the building was measured at 3,325.37m^2. Included in the hereditament was 1,134m^2 of hard surfaced fenced land, 1,399.60m^2 of hard surfaced unfenced land, and 215 car parking spaces.

8. The issue to be determined by the Tribunal was the correct valuation in the 2017 rating list. The material day was 1 April 2017, as this was a challenge to the compiled list entry. The property must be valued on the antecedent valuation date (AVD) of 1 April 2015.

9. The appellant's proposal sought a reduction to the amount of land included in the valuation and an end allowance of 10% to reflect the fragmented nature of the site. In considering the proposal, the VO accepted that the hard surfaced land had been measured incorrectly. Revised areas were agreed during the challenge negotiations and the VO reduced the valuation to reflect the new measurements. However, the parties could not agree on the level of allowance to be applied reflecting the fragmented site. The VO applied a 5% allowance in the revised valuation shown in the challenge decision.

10. The appellant's representative provided a revised valuation when lodging the appeal, increasing the proposed value from £197,000 to £203,000. This revised valuation adopted the agreed measurements for the land but included a 10% fragmentation allowance.

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

Relevant Law

12. The subject property must be valued by the statutory assumptions set out in in Schedule 6 to the Local Government Finance Act 1988 as follows:

"(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."*

Discussion

13. Mr Dowds-Jones contended that, as the subject hereditament consists of two individual buildings, this would severely impact the site, and a 10% allowance was reasonable to reflect the inconvenience. The VO had accepted an allowance was justified but did not consider the site was impacted as severely as the appellant's representative submitted.

14. It was submitted by Mr Dowds-Jones that a 5% allowance is typically applied where there are adjoining industrial units separated by a single dividing wall. As the subject hereditament comprises two separate buildings, he contended the impact was more severe and a higher level of allowance was warranted. Ms Anderson stated that she had driven past the subject property on 25 April 2025 and in her opinion the existing 5% allowance was reasonable. She submitted that, because one of the buildings is mainly used as a motor vehicle repair workshop, there is not a significant disadvantage in there being two separate buildings. On this basis, she defended the existing valuation and contended that the level of disability was not so severe as to justify a higher allowance.

15. The panel examined the examples presented by both parties to demonstrate the levels of allowance awarded to other hereditaments where there was fragmentation. Ms Anderson submitted that the properties at Units 8-10 Redburn Industrial Estate, Units 1 to 5 Applegarth Drive, and Units 15 and 16 and Units 18 and 19 Cliff Industrial Estate all comprised two detached units and had a 5% allowance. In the case of Units S-V at Alcaline House and The Old Coal Yard, there were multiple detached units making up the hereditaments and therefore a 10% allowance was given.

16. The panel noted that the appellant's evidence contained three examples where there had been agreements on fragmentation. In Uxbridge, the assessment for John Guest Limited (factories 3, 4, 5, 7, & Claremont House) was increased from 6% to 15% by the Tribunal in 2024. This hereditament comprised multiple buildings and Mr Dowds-Jones confirmed he was not seeking 15% for the subject property but this example illustrated a recent settlement on a fragmented site. In Banbury, the hereditament shown in the list as DAR Lighting, Wilmere Road was agreed by consent order to increase the end allowance from 5% to 15% in 2024. Finally, the panel noted that Units 1 & 2 Acorn House, Coppen Road, Dagenham comprised three separate sections but there was interconnectivity between them and the parties had agreed by consent order to increase the end allowance from 5% to 7.5%.

17. Further examples were cited by the appellant where end allowances had been applied. A 5% allowance was applied to the valuation of 24 & 26 Fulton Road, Wembley, Middlesex. A 7.5% allowance was applied to Units 3, 3A & 3B Fenton Way, Basildon and 10% applied to 7A-7D International Drive, Twickenham. Ms Anderson contended that the units at Fulton Road, Fenton Way and International Drive were all terraced properties with no access between them and therefore were not comparable to the subject property which comprised separate buildings.

18. The panel noted that terraced properties are not the same composition as the subject hereditament, but it considered that adjoining properties would potentially be less of a disability than having detached buildings where the occupier must move between entirely separate properties. Mr Dowds-Jones considered the strongest comparison to be Units 1-2 Langley Connect in Slough, where a hereditament comprising two separate buildings was agreed with a 10% allowance. While the panel noted Ms Anderson's observation that Langley Connect was located some twenty-eight miles from the subject property, it did not consider this to mean that comparisons could not be drawn between the two assessments. It was expected that the tone of value may differ between localities, and this would be reflected in any rental evidence, but disabilities could still be reflected with allowances. Comparability between the site layout was more relevant in that respect than location.

19. After considering all the evidence presented, the panel found that the level of disability at the subject property was not as severe as those where there were multiple buildings included in the assessment. However, it did consider that having physically separate buildings within the hereditament presented more of a difficulty than terraced units, with or without interconnectivity. The panel noted that a 7.5% allowance was given at the units in Fenton Way, Basildon, where the units were adjoining. It found that this supported an allowance of more than 5% for the subject property, having two separate buildings. However, it also noted Ms Anderson's reliance on Units 8-10 Redburn Industrial Estate, Enfield, a hereditament just 1.2 miles from the subject property where a 5% fragmentation allowance was given.

20. The panel found that more weight should be given to examples where the level of allowance had been challenged and either agreed between the parties or been subject to a Tribunal decision. Entries in the rating list that were not challenged had not been scrutinised as part of the appeal process and therefore carried less weight. It found that the 7.5% allowance on the units in Fenton Way supported an increase in the level for the subject property. It did not consider the appellant company's use of the buildings in the hereditament to be relevant as the property must be valued as if vacant and to let on the material day. The panel was therefore of the opinion that one building being used as a vehicle workshop did not mean that the inconvenience of having to move between physically separate buildings on the site would

be less. It was accepted that Alcaline House and The Old Coal Yard were more severely fragmented than the subject property and a 10% allowance was given.

21. On balance, the panel placed most weight on the example of Units 1-2 Langley Connect, where the hereditament comprised two separate buildings and the site layout was comparable to the subject property, with a 10% allowance agreed. At the hearing Ms Anderson submitted that she considered the allowance on the Langley Connect hereditament to be excessive, but the panel must consider the entry as it stands. It understood the agreement on the units at Langley Connect was fairly recent and no evidence was presented to show whether the same level of allowance had been continued in the 2023 list for the hereditament, if the VO considered the allowance to be an error but was unable to revise the 2017 list entry. Of the examples presented, the panel found that Units 1-2 Langley Connect were the most comparable in layout to the subject property and the agreement there supported a similar allowance in this appeal.

Determination

22. In view of the above findings and conclusions, the Tribunal is satisfied that an allowance of 10% is reasonable for the subject property.

23. In accordance with Regulation 38 (4) and (9) of the Valuation Tribunal for England (Council Tax and Rating Appeals) (Procedure) Regulations 2009, the Valuation Officer is ordered to amend the entry for 277 Lincoln Road, Enfield, Middlesex EN1 1SY in the 2017 Rating List to £203,000 effective from 1 April 2017.

The Valuation Officer must comply with this Order within two weeks of its making.

Valuation

Floor	**Description**	**Area m^2**	**£/m^2**	**Value £**
Ground	Warehouse	1,613.94	45.00	72,627
Ground	Office	11.10	54.00	599
Ground	Works Office	23.80	45.00	1,071
Ground	Workshop	462.20	45.00	20,799
Ground	Workshop	386.65	49.50	19,139
Ground	Works Office	11.56	45.00	520
Ground	Locker Room	7.14	49.50	353
Ground	Mess/Staff Room	26.53	49.50	1,313
Ground	Internal Storage	7.92	45.00	356
Ground	External Storage	123.20	22.28	2,745
Ground	Workshop	12.16	45.00	547
First	Canteen	111.30	49.50	5,509
First	Office	527.87	54.00	28,505
	Total area	**3,325.37**		
	Subtotal			**154,083**
Additional Items				
	Hard surfaced, Fenced Land	1,475.50	10.00	+14,755
	Hard Surfaced, Unfenced Land	425.00	10.00	+4,250
	Hard Surfaced, Unfenced Land	102.60	10.00	+1,026
	Hard Surfaced, Unfenced Lane	155.20	10.00	+1,552

	Car Parking Spaces x 215			+50,525
	Total Before Adjustments			226,191
	Fragmentation		-10%	-22,619
	Total value			**203,572**
	RV say			**203,000**

Right of further appeal

24. 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.

25. 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/.

Mrs O O Robson, Senior Member (Presiding)

Mr A Sheth, Senior Member

4 June 2025

Mrs A Sloan
Clerk to the Tribunal
Date issued to the parties: 4 June 2025