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

Case No: CHG101083104

Sitting remotely using Microsoft Teams

Date: 27 August 2025

SCHEDULE 11 TO THE LOCAL GOVERNMENT FINANCE ACT 1988

Non-domestic rating appeal; 2017 rating list; accuracy of the rateable value in the list as at 1 April 2019; offices and premises; comparable assessments; appeal dismissed

Before:
MRS NC YANG
MRS OO ROBSON

Between:

BT PLC — **Appellant**

- and -

KAREN GILES
(VALUATION OFFICER) — **Respondent**

Regarding:
BRITISH TELECOM, LONG ROAD, CAMBRIDGE CB2 8HE
(the "subject property")

Mr S Dowds-Jones, of Colliers representing the **Appellant**
Mrs K Cockhill for the **Respondent**

Hearing date: 1 August 2025

DECISION AND STATEMENT OF REASONS

Decision

1. The appeal is dismissed.

2. The assessment was confirmed at rateable value (RV) £740,000 with effect from 1 April 2017.

Introduction

3. This appeal has been brought in respect of British Telecom, Long Road, Cambridge CB2 8HE (the 'subject property'), which was entered in the 2017 rating list as 'office and premises', the RV was reduced from £870,000 to £740,000 at challenge stage, effective from 1 April 2017.

4. In accordance with regulation 13A of the Non-Domestic Rating (Alteration of Lists and Appeals) (England) Regulations 2009, an appeal was made to the Valuation Tribunal for England (VTE) on the grounds that the valuation for the appeal property was not reasonable. The valuation officer had adopted a 10% allowance for quantum and a 5% allowance for fragmentation resulting in an RV of £740,000. Mr Dowds-Jones sought a reduction to £690,000 RV based on an allowance of 10% for fragmentation.

5. The appellant's representative, when appearing as expert witness, stated that he was 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.

6. 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 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).

7. It was therefore appropriate for the panel to consider the 'expert' evidence and assess what weight, if any, to give it in the context of the matters in issue before it.

8. Mrs Cockhill stated that she was appearing as expert witness and advocate.

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

Background

10. The subject property is described as offices and premises and consists of space fitted out as offices as well as telephone exchange areas. It is located on Long Road, Cambridge which is close to the M11. It has an area of 6,648m^2. The subject property comprises two buildings one of which was built in the 1960's and the other built in the 1970's.

11. The only issue outstanding in this appeal for the panel to consider was whether the allowance of 5% for fragmentation should be increased to 10%.

12. Mr Dowds-Jones argued that the property suffered from a highly inefficient layout, having mixed used and consisting of physically separate buildings that are heavily fragmented internally by structural dividing walls.

13. Mrs Cockhill maintained that a 5% allowance was sufficient to allow for the fragmentation of this property and there was insufficient evidence to support a further reduction.

Relevant Law

14. The panel had to determine the rateable value for the appeal property, which represented a rent that a hypothetical landlord and tenant would agree, as at the antecedent valuation date (AVD),1 April 2015. The common date was used to ensure that every property was treated in a consistent way.

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

15. The Lands Tribunal judgment in *Lotus and Delta v Culverwell* (VO) [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, the closer that rent was set to the statutory definition, the more weight it should attract. 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.

16. The panel noted that in this appeal the subject property was held freehold.

17. The panel therefore turned to the comparable properties referred to by Mr Dowds-Jones at the hearing, in particular it noted the following:

- Buildings A-G, The Connection, Newbury, Berkshire; this property had an allowance of 10% for fragmentation, however, the panel did not consider it to be comparable to the subject property as it consisted of seven separate buildings and had an area of

42,427.50m^2 it was significantly larger than the subject property and had significant fragmentation.

- Cornhill Insurance Group Plc 51-57, Ladymead, Guildford, Surrey; this property had an allowance for layout rather than fragmentation, it also appeared from the aerial photograph to have a more inefficient layout than the subject property.
- Kitemark House, Maylands Avenue, Hemel Hempstead, Hertfordshire; this property had a 10% allowance for fragmentation and the panel noted Mr Dowds-Jones' argument that it is also of a somewhat hybrid use, consisting of a mix of office and lab space with some industrial elements, however, the panel was aware that it comprised eight separate buildings.
- 277 Lincoln Road, Enfield; this property comprised two buildings which were positioned separately and had recently been the subject of an appeal to this Tribunal. The panel had decided that a 10% allowance should be adopted for fragmentation. However, whilst it noted the Tribunal decision the panel found that this property had a notably larger divide between the two buildings which comprised the hereditament as compared to the subject property which had two adjoining buildings which were interconnected.

18. The panel considered this evidence, it determined that the level of fragmentation in each case was somewhat more significant than that of the subject property, it was therefore able to attach only moderate weight to it.

19. Mr Dowds-Jones argued that the adoption of a 10% allowance for fragmentation would bring the tone in line with the tone of Sepura Plc, 9000, Cambridge Research Park, Beach Drive, Waterbeach, Cambridge. This property had a tone of £128/m^2. The panel was aware that the tone of value was not the issue in this appeal it therefore attached no weight to this evidence.

20. Mr Dowds-Jones argued that the Valuation officer had not provided any evidence to support an allowance of 5%, however the panel was aware that the burden of proof in this appeal fell on the appellant's representative to show that the RV was unreasonable.

21. Mrs Cockhill referred to 135 Bolton Road, Luton; this property had a 5% allowance for fragmentation. She argued that this property had a similar amount of fragmentation to the subject property as it comprised two buildings. Mr Dowds-Jones contended that less weight should be attached to this evidence because the allowance was adopted in the 2010 rating list as compared to that adopted for 277 Lincoln Road in the 2017 list. The panel determined that, unless there had been a change in the level of fragmentation, the date the allowance was adopted was not a determining factor. As Mr Dowds-Jones had not disputed the level of fragmentation in this comparable; the panel determined that this evidence supported a 5% allowance for the subject property.

22. In appeals of this nature the burden of proof is with the appellant's representative to show that the appeal property's rateable value is unreasonable. After full consideration of the evidence before it, the panel found that the appellant's representative had not discharged the evidential burden of proof and, therefore, had not persuaded the panel that the appeal property's rateable value should be reduced. The panel found that a 5% allowance for fragmentation resulting in an RV of £740,000 was fair and reasonable.

Determination

23. In view of the above findings and conclusions, the appeal was dismissed.

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 NC Yang, Senior Member (Presiding)

Mrs OO Robson, Senior Member

27 August 2025

Mrs H Beresford
Clerk to the Tribunal
Date issued to the parties: 27 August 2025