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

Case No: CHG101083577

Sitting remotely using Microsoft Teams

Date: 7 August 2025

**SCHEDULE 11 TO THE LOCAL GOVERNMENT FINANCE ACT 1988**

*2017 Rating List Appeal: Local Government Finance Act 1988; Factory and Premises; Disputed areas and relativities applied; Appeal allowed in part.*

**Before:**
**MR AMRAN HUSSAIN**
**MRS MJ COLE**

**Between:**

**SBS LTD** — **Appellant**

**- and -**

**LUCY FORMELA-OSBOURNE (VALUATION OFFICER)** — **Respondent**

**Regarding:**
**SBS TRAILERS, 21 MACROME ROAD, WOLVERHAMPTON, WV6 9HD**
(the “subject property”)

**Mr P Rabette**, from Rabette Chartered Surveyors, representing the Appellant
**Mr D Panchal** representing the Respondent

Hearing date: 9 July 2025

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**DECISION AND STATEMENT OF REASONS**

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## Decision

1. The appeal is allowed-in-part.

2. The Tribunal Panel determined the appeal property's existing assessment of £49,750 Rateable Value (RV) was unreasonable and reduced it to £49,000 RV, with effect from 1 April 2017.

## Introduction

3. This appeal had been brought in respect of the following: SBS Trailers, 21 Macrome Road, Wolverhampton, WV6 9HD which was entered in the 2017 Rating List as Factory and Premises at £60,500 Rateable Value (RV), with effect from 1 April 2017.

4. The appellant’s challenge to the Valuation Officer (VO) was made on 6 July 2023. The appeal to this Tribunal was made on 24 February 2025, following the VO’s decision notice of 10 January 2025, that the subject property’s Rateable Value would be reduced to £49,750 from 1 April 2017.

5. Mr Panchal stated that he was appearing in a dual role as both advocate and expert witness for the respondent.

6. Mr Rabette was appearing on behalf of the appellant as advocate and expert witness. Therefore, it was important to ascertain if there was a success related fee involved and if so whether its existence was compatible with Mr Rabette’s obligations to the tribunal as an expert. This question was raised in view of the Upper Tribunal’s judgment in Gardiner & Theobald LLP v David Jackson (VO) [2018] UKUT 0253 (LC). He confirmed that he was representing the appellant at the hearing on a contingency fee basis, declaring that he understood and accepted that his duty was to the Tribunal in giving his evidence and 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.

7. The panel have accepted this 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 Procedure regulations 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). The panel therefore considered the “expert” evidence and attached such weight to it as it saw fit.

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

## Background

9. The subject property is a factory and premises built in the 1950’s, of brick construction, stated to have asbestos sheet roofing. The property is split into different sections, with various stanchions and subdivided floors.

10. The reduction in RV to £49,750 was made on the basis that the main space rate applied to the subject property was reduced from £17.50/m$^2$ to £13.50/m$^2$. The level of the main space rate to be applied, which had been contested, was no longer in dispute.

11. The appeal to the Tribunal was made on the basis that the RV of £49,750 was excessive. The appellant stated that this reduced valuation included areas of the subject property that did not form part of the original valuation at £60,500 RV. He argued that these should not be included as part of the valuation, adding that if they were to be included as part of the valuation, no value should be attributed to them. Furthermore, the appellant also disputed the relativities applied to the main space rate in respect of certain areas of the subject property. The appellant sought a reduction in the RV of the subject property to £42,500

12. The respondent maintained the £49,750 RV was correct, stating that the areas included within the valuation included areas that were in use and therefore of value, whilst also asserting that the relativities in respect of the areas within the subject property disputed by the appellant were reasonable.

**Preliminary issue**

13. There had been joint inspections of the subject property on 10 May 2022 and 10 December 2024. Reference was made in the evidence bundles about the earlier visit; however, the property plan provided to the respondent by the appellant arising from that visit was not part of the evidence bundles. On the day prior to the hearing, Mr Panchal forwarded to the clerk and Mr Rabette, a copy of this plan.

14. The appellant's representative confirmed that this was his plan and raised no objections to the inclusion of this document, which the clerk had sent to the panel, as late evidence. Neither party had been prejudiced by this information. The appeal was to be determined taking into account this property plan, which the parties were able to comment about, in addition to the previously exchanged evidence in respect of this appeal.

**Relevant Law**

15. The term 'rateable value' is defined in paragraph 2(1), 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."

16. The material day (the date by which physical factors have to be taken into account) was provided by the Non-Domestic Rating (Material Day for List Alterations) Regulations 1992 (SI 1992 No. 556) as amended. In respect of the subject appeal, the material day is 1 April 2017.

**Discussion**

17. In arriving at its decision, the panel turned to each issue that remained in dispute, Firstly, it addressed the issue of the inclusion of areas of the subject property within the valuation that did not form part of the original valuation at £60,500 RV, which the appellant stated had been added by the respondent following the joint property inspection on 10 December 2024.

18. Plans of the subject property, referred to as “Floor plan measurements taken on joint inspection on 10th December 2024” were included within the evidence. The appellant however disagreed with the respondent’s comments in the decision notice dated 10 January 2025 which stated “*On Tuesday 10th December, a joint full inspection of the site was completed with you in which the areas of the subject property were established and agreed. This inspection resulted in the areas increasing in overall area from the area proposed at submission and currently on file. The overall areas equate to 5,962.6m2. All measurements taken at inspection were shared with you which you did not dispute.”* Both parties agreed that they still held a difference of opinion about what should be included within the valuation.

19. The respondent stated the revised valuation of £49,750 included some areas previously not considered, adding that the quality of the areas to be rated was clear and that they were used in some way at the time of the inspection. Mr Panchal stated the valuation comprised what he found on the inspection day, with the new additional areas having some value, as there was no evidence that these areas were completely derelict, as asserted by the appellant.

20. Mr Rabette stated that the respondent had increased the floor areas for this 2017 Rating List assessment, from what was agreed in respect of the 2010 Rating List entry. He asserted that it had been accepted for both the 2005 and 2010 Rating Lists, that certain elements of the subject property be regarded as incapable of beneficial occupation and therefore excluded from the assessment. During his oral submission, Mr Rabette maintained that the subject property when purchased by the currents owners twenty five years ago, remained in a poor state of repair. This was said to still be the case, due to the owners financial predicament, which led to further neglect of the hereditament. Work to a roof of one section of the building had improved part of the building. To explain why improvement works had not been carried out at the property the appellant submitted a quote for roofing works dated 10 February 2023. He stated this demonstrated the required cost of this work for a sizeable part of the building, which in turn he stated showed that roofing work for the whole of the building would equate to an amount approximately twenty times the rateable value he sought.

21. The panel was informed by Mr Rabette that there had been no change in the size, composition, or use of the property between the 1 April 2010 and the 1 April 2017, which he was aware of, as he had been dealing with the subject property since the 2005 Rating List. He informed the panel that there was still debate about the size of the building, albeit to his knowledge, the size had not changed during these seven years, during which the property had aged further.

22. In support of the appellant’s case, reference was made to the Lands Tribunal judgment in Barnard & Barnard v Walker (VO) 1975 RA 383, in which it was argued that when it comes to a consideration of differentials in a previous Rating List there is a presumption that the differentials in previous rating lists were correct, unless the presumptions can be rebutted by evidence to show why the differentials from the previous list should not be carried forward.

23. The panel had regard to the documentary evidence received from both parties, such as the property/floor plans, the roofing work quotations, as well as considerable photographic evidence. This was considered alongside the oral submissions of both parties.

24. The appellant maintained that the areas added to the assessment following the December 2024 inspection, were areas that the valuation officer had previously agreed to exclude from previous rating list on the basis that they were incapable of beneficial occupation and as such regarded as derelict.

25. During the hearing, the respondent accepted that one of the area's included within the assessment was a shared electrical sub-station, which was at line entry 1.7 in the respondent's valuation, which the parties agreed should be omitted from the valuation. The other disputed areas within the assessment, like the sub-station were situated at the rear of the property.

26. Both parties agreed that the following areas in the assessment, which they referred to differently, were in use and should remain as part of the assessment:

| **Line Entry in VO Valuation (page 2)** | **Area(m2) per VO** | **Description on Respondent's Valuation** | **Description on Appellant's 2022 plan** |
|---|---|---|---|
| 1.4 | 89.35 | Ground external storage | Wood store, etc |
| 1.5 | 16.97 | Ground staff toilets | W.C. |
| 1.6 | 31.60 | Ground external storage | Mess |

27. The areas within the assessment that remained in dispute were all described in the respondent's valuation as" ground external storage" at line entries 1.1, 1.2 and 1.3, which the appellant had referred to a "semi-derelict stores," "and "ex WC" on his May 2022 plan.

28. The panel found it disappointing that during the previous inspections, the recent one more so, that the parties missed the opportunity to agree the areas to be included within the assessment, along with their respective sizes. Although two visits had been made, the respondent had not independently assessed the areas within the building and their respective sizes. Mr Panchal remarked that during the most recent visit, there was not access to all areas, which he stated resulted in the sub-station being included as part of the assessment. This led to the respondent's valuation having a degree of reliance on the plans. The appellant remained of the opinion that the property remained the same as when assessed for the 2010 Rating List. The panel noted, when referring to relativities, as addressed in paragraphs 30 to 33 of this decision, that the respondent's comments also suggested that there had not been much change to the property.

29. In appeals of this nature, the onus often lies with the appellant to evidentially demonstrate their case. However, in this appeal the respondent had revised the assessment to include areas which had been previously disregarded. The evidence signified that the property had been and continued to be in a poor state of repair. The panel considered it reasonable that the respondent should be able to justify that the situation had changed, such that the areas previously excluded from the 2005 and 2010 Rating List entries, were capable of beneficial occupation, in use, and should be ascribed a level of value. Based on the totality of the evidence, the panel did not find this to be the case.

30. The remaining issue for the panel to consider was the appellant's argument that the relativities applied to the two areas referred to as 'ground internal storage,' and 'showroom,' should be reduced.

31. The 'ground internal storage area,' referred on the appellant's 2022 plan as "storage (very poor)" was in terms of size, the largest component of the subject property's assessment. The appellant stated that a 0.5 relativity was more appropriate that its current 0.65 applied, due to difficulties that this section of the hereditament caused the owner. It was stated that this area remained to be in a very poor state of repair and was beyond economic repair, with sufficient heating and electricity supply which would need to be added if this area is to be brought up to a reasonable standard. Although the appellant had provided evidence in the form of quotations for roof works, to validate the economic costs of works required to the subject property, it was not proposed that this section of the property be reduced to values at nil, Nonetheless, he believed that it warranted the relativity applied to be reduced to 0.5. The respondent disagreed, stating that the existing 0.65 relativity took into account the roof being at the end of its life, adding that the evidence, including photographs of this area, did not demonstrate significant water damage or leaks to the roof. Mr Rabette stated that when the inspection took place, the weather conditions were such, that the absence of rain for at least a week did not fully show the true condition of and issues faced by this area.

32. The appellant maintained that there was no showroom in this factory, stating that this area and its line entry in the respondents valuation, is the 'parts store/department." Whilst this area was said to benefit from a new roof some years ago, and as such is better than the remainder of the factory, it is unheated, has an unlined roof and only single phase electricity to power fluorescent tubes. He proposed the relativity to be reduced to 0.7. The respondent maintained the relativity of this area should remain at 1.0, as it is valued as a warehouse area, of better quality to the other warehouse areas as shown aerially through the new roof and photographs from inspection.

33. Having heard from both parties, the panel was not convinced that the available evidence was sufficient to justify a change in relativity of the disputed areas.

34. In conclusion, the panel decided the areas which had been added to the valuation after the December 2024 inspection, should remain part of the valuation, albeit adding no value to the assessment. This was to be reflected by the relativity applied to each of these areas. The relativities, for the areas that were present prior this inspection, which were under dispute would remain unchanged.

**Determination**

35. In view of the above findings and conclusions, the panel was satisfied that the current assessment was unreasonable. The panel determined that an assessment of £49,000 RV more accurately reflected the appeal property. A breakdown of the assessment is shown below, in paragraph 37 of this decision notice. The appeal is allowed in part.

**Order**

36. As a consequence of the above decision, the Valuation Officer is ordered to reduce the 2017 Rating List entry to £49,000 RV, with effect from 1 April 2017, within two weeks of the date of this Order.

37. The revised valuation is as follows:

| Ref | Floor | Description | Area $m^2$ | £/$m^2$ | Relativity | Price Adopted | Value (£) |
|---|---|---|---|---|---|---|---|
| 1.1 | Ground | External Storage | 17.05 | 13.50 | 0.00 | 0.00 | 0.00 |
| 1.2 | Ground | External Storage | 54.99 | 13.50 | 0.00 | 0.00 | 0.00 |
| 1.3 | Ground | External Storage | 17.44 | 13.50 | 0.00 | 0.00 | 0.00 |
| 1.4 | Ground | External Storage | 89.35 | 13.50 | 0.4875 | 6.58 | 587.92 |
| 1.5 | Ground | Staff Toilets | 16.97 | 13.50 | 0.65 | 8.78 | 149.00 |
| 1.6 | Ground | External Storage | 31.60 | 13.50 | 0.4875 | 6.58 | 207.93 |
| 2.1 | Ground | Internal Storage | 2270.59 | 13.50 | 0.65 | 8.78 | 19,935.78 |
| 2.2 | Ground | Workshop | 890.09 | 13.50 | 0.7 | 9.45 | 8,411.35 |
| 2.3 | Ground | Workshop | 438.07 | 13.50 | 0.7 | 9.45 | 4,139.76 |
| 2.4 | Ground | Workshop | 1098.11 | 13.50 | 0.7 | 9.45 | 10,377.14 |
| 2.5 | Ground | Workshop | 190.90 | 13.50 | 0.7 | 9.45 | 1,804.00 |
| 2.6 | Ground | Showroom | 551.73 | 13.50 | 1.00 | 13.50 | 7,448.35 |
| 2.7 | Ground | Workshop | 123.44 | 13.50 | 0.7 | 9.45 | 1,166.51 |
| 2.8 | Ground | Office | 120.37 | 13.50 | 1.0725 | 14.48 | 1,742.96 |
| 2.9 | Ground | Staff Toilets | 22.32 | 13.50 | 0.65 | 8.78 | 195.96 |
| 2.10 | Ground | Plant Room | 11.30 | 13.50 | 0.7 | 9.45 | 106.79 |
| **Additional features of the property included in the valuation** | | | | | | | |
| | Rough Surfaced fenced land | | 490.00 | | | 3.33 | 1,613.70 |
| | **Valuation sub-total** | | | | | | **57,887.15** |
| **Adjustments made to the sub-total** | | | | | | | |
| | Disabilities site/building | | - 15.00% | | | | 8,683.07 |
| | **Valuation Total** | | | | | | **49,204.08** |
| | **Say £49,000 Rateable Value, with effect from 1 April 2017** | | | | | | |

**Right of further appeal**

38. 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.

39. 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/.

Mr Amran Hussain, Senior Member (Presiding)
Mrs MJ Cole, Senior Member

7 August 2025

Mr R Patel
Clerk to the Tribunal
**Date issued to the parties:** 7 August 2025