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

Case No: CHG101095473

Sitting remotely using Microsoft Teams

Date: 12 November 2025

SCHEDULE 11 TO THE LOCAL GOVERNMENT FINANCE ACT 1988

Non-Domestic Rating Appeal; 2017 rating list; Exemption from rating in accordance with Paragraph 11 to Schedule 5 of the Local Government Finance Act 1988; Appeal allowed.

Before:
MRS A FIELDER
MR M NWOSU

Between:

THE SALVATION ARMY **Appellant**

- and -

NICOLA JOHNSON
(VALUATION OFFICER) **Respondent**

Regarding:
THE SALVATION ARMY, 101 NEWINGTON CAUSEWAY, LONDON SE1 6BN
(the 'subject property')

Appearances:
Mr L Hatchwell of Colliers LLP, representing the Appellant
Ms L Tang, representing the Respondent

Hearing date: 16 October 2025

DECISION AND STATEMENT OF REASONS

Decision

1. The appeal is allowed.

2. The Tribunal finds that the areas in dispute (a ground floor hall and a ninth floor prayer room) are exempt from non-domestic rating in accordance with Paragraph 11 to Schedule 5 of the Local Government Finance Act 1988. Consequently, the rateable value (RV) of the subject property is amended to £21,000 with effect from 1 April 2017.

Introduction and background

3. This decision and statement of reasons is not a contemporaneous or verbatim record of the proceedings.

4. The subject property was, at the time the appeal was submitted, the UK and Ireland Headquarters of the Appellant. The subject property entered the 2017 rating list with effect from 1 April 2017 as “offices and premises” with an RV of £1,720,000 covering some 5,817.06m^2 in a ten storey building.

5. A Challenge was submitted in accordance with the Non-Domestic Rating (Alteration of Lists and Appeals) (England) Regulations 2009. As a consequence, the Respondent altered the rating list entry for the subject property to exempt most of it from rating in accordance with Paragraph 11 to Schedule 5 of the Local Government Finance Act 1988 (the LGFA 1988). The areas which remained in the rating list were recorded by the Respondent as covering 280.28m^2 which, at an adjusted rate of £300.30 per m^2, resulted in a revised RV of £82,500.

	m^2
Ground floor hall	180.78
Ninth floor prayer room	9.69
Ninth floor kitchen	76.57
Ninth floor internal storage	13.24
	280.28

6. There had been a disagreement concerning the size of these areas and, after a joint inspection by the parties prior to the hearing, they were agreed as follows:

	m^2
Ground floor hall	180.78
Ninth floor prayer room	9.49
Ninth floor kitchen	65.04
Ninth floor internal storage	5.37
	260.68

7. The revised 260.68m^2, at an adjusted rate of £300.30 per m^2, resulted in a revised RV of £78,000. Whilst the Appellant accepted that the kitchen and storage area were rateable (because they were unoccupied and, therefore, failed to meet any of the statutory requirements to be exempt), it was argued that the ground floor hall and the ninth floor prayer room should be exempt from rating. This would leave the remaining 70.41m^2 of space relating to the ninth floor kitchen and the ninth floor storage space to be rated and, at £300.30 per m^2 (which had not been disputed), the resultant RV would be £21,000. However, it was the Respondent’s argument that all four areas were rateable and so the revised RV of £78,000 should stand.

8. Mr Hatchwell appeared for the Appellant as an advocate and as a witness of fact, adding that he was not appearing on any success related fee basis. Ms Tang appeared on behalf of the Respondent as an advocate and expert witness. Ms Tang acknowledged and accepted that her duty when presenting evidence as an expert witnesses was to the Tribunal irrespective of whether her evidence supported the Respondent's argument. Mindful of the Upper Tribunal's judgment in *Gardiner & Theobald LLP v David Jackson (VO)* [2018] UKUT 253 (LC), the panel accepted the expert witness evidence on this basis as the appeal was not considered to be complex and to do otherwise would be contrary to regulation 3 (Discharge of VTE functions - general) of the Procedure Regulations and was allowable due to the Tribunal's rules concerning 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 to consider the expert evidence and assess what weight, if any, to give it in the context of the issues before it.

9. Prior to the hearing, the panel was provided with a copy of the Appellant's supporting statement and a copy of the Respondent's decision notice which set out their respective arguments. In addition, Mr Hatchwell had sought to include a series of email exchanges between himself and Ms Tang and, with Ms Tang's agreement, they were accepted. The parties had also agreed a set of four photographs which were said to depict the areas in dispute on the material day. The photographs were also accepted.

Relevant Law

10. Schedule 5, Paragraph 11 of the LGFA 1988:

1) A hereditament is exempt to the extent that it consists of any of the following -

(a) a place of public religious worship which belongs to the Church of England or the Church in Wales (within the meaning of the Welsh Church Act 1914) or is for the time being certified as required by law as a place of religious worship;

(b) a church hall, chapel hall or similar building used in connection with a place falling within paragraph (a) above for the purposes of the organisation responsible for the conduct of public religious worship in that place.

2) A hereditament is exempt to the extent that it is occupied by an organisation responsible for the conduct of public religious worship in a place falling within sub-paragraph (1)(a) above and –

(a) is used for carrying out administrative or other activities relating to the organisation of the conduct of public religious worship in such a place; or

(b) is used as an office or for office purposes, or for purposes ancillary to its use as an office or for office purposes.

3) In this paragraph "office purposes" include administration, clerical work and handling money; and "clerical work" includes writing, book-keeping, sorting papers or information, filing, typing, duplicating, calculating (by whatever means), drawing and the editorial preparation of matter for publication.

Discussion

11. The Appellant conceded that whilst the ground floor hall and the ninth floor prayer room were not exempt from rating in accordance with Paragraph 11(1)(a), 11(1)(b) or 11 (2)(a) of Schedule 5 of the LGFA 1988, they were exempt in accordance with Paragraph 11(2)(b) because their use was ancillary to office purposes.

12. On behalf of the Appellant, Mr Hatchwell explained that the ground floor hall was used exclusively by employees of the Appellant for religious services and for staff meetings. Mr Hatchwell went on to explain that whilst there were other meeting rooms throughout the building, this was the largest and could accommodate a maximum of 172 persons. As far as the ninth floor prayer room was concerned, Mr Hatchwell argued that this was not a normal adjunct to office use but, in accordance, with the Appellant's mission, it provided facilities for prayer. These areas were, the panel was advised, solely for the benefit of the Appellant's employees to enable them to discharge their duties and their use was ancillary to office use. Mr Hatchwell also referred the panel to paragraph 136 of the Upper Tribunal's decision in *The Church of Scientology Religious Education College Inc v Andrew Rickets (VO)* [2023] UKUT 00001 (LC), in which the Upper Tribunal referred to Lord Reid in *W & JB Eastwood v Herrod (VO)* where it was said that the requirement for one use to be ancillary to another should be "interpreted in a reasonably liberal manner". Mr Hatchwell submitted that if applying a reasonably liberal interpretation one would conclude that the use of the hall and the prayer room were ancillary to office use.

13. The Respondent's position was that the hall and the prayer room did not meet the ordinary meaning of "office purpose" that would include a chapel or a prayer room. It was further argued that, when observing paragraphs 131 and 132 in the *Scientology* decision, the hall and the prayer room could be considered as being similar to the auditing rooms and Mr Hubbard's office which, whilst fitted out as offices, were not found to be exempt from rating in accordance with paragraph 11(2)(b) to Schedule 5 of the LGFA 1988:

> "131. The second exception is Mr Hubbard's office, for which exemption was claimed in the alternative under paragraphs 11(1)(b) and 11(2)(b). We have described it above as a place of reverence akin to a shrine. It is not used for any of the sort of activities falling within the Court of Appeal's "pretty satisfactory" description of a church hall in *Gallagher* and we do not consider that its maintenance as a focus of encouragement or inspiration enables it to be described as similar to a church or chapel hall.
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> 132. We understood that in respect of the individual auditing rooms on the fourth floor of the London Church for which exemption was claimed under paragraph 11(2)(b), exemption was not claimed, in the alternative, on the basis that those rooms were used for activities one would find going on in a church hall. This concession was less clear in the closing written submissions provided on behalf of the Church so we should explain why we consider it was justified. The significance of auditing as a religious practice, the exclusive use which is made of the individual auditing rooms, and their large number, all set them apart from uses which might be made of a church hall or similar building. They are not spaces used from time to time for individual spiritual consultation or support, and at other times for other purposes; they comprise almost half a floor, set apart and marked out for a specific and distinctive religious purpose of particular significance to Scientologists. That part of the building cannot be described as a church hall or similar."

14. It was also stated within the Respondent's decision notice, and reiterated by Ms Tang during the hearing, that neither the hall nor the prayer room can be exempt because there is a lack of public religious worship and so the appeal must fail.

15. It appeared to be common ground that neither the hall nor the prayer room met the statutory requirements set out in 11(1)(a), 11(1)(b) or 11(2)(a). However, given the structure of Paragraph 5 and the use of the word "or" after 11(2)(a) the panel found that this did not preclude them from being exempt from rating in accordance with 11(2)(b). Put another way, the statutory requirements contained within 11(2)(b) are not contingent upon any of the preceding conditions being met.

16. The panel did not find the Respondent's comparison of the hall and the prayer room in this appeal with Mr Hubbard's office and the auditing rooms in the *Scientology* judgment to be fair or reasonable. Mr Hubbard's office had become a shrine with no use which could meet any of the statutory requirements found in Paragraph 11 to Schedule 5 of the LGFA 1988 whilst the auditing rooms were found to have had a specific and distinctive religious purpose which could not be described as an office use (ancillary or otherwise). The hall and the prayer room in this appeal were not shrines, nor were they used for specific and distinctive purposes.

17. Whilst Paragraph 11(3) to Schedule 5 to the LGFA 1988 describes some of the activities which constitute office use this is a general guide, not a definitive list. The panel concluded that the correct approach was to interpret "office use" in a reasonably liberal manner and, when doing so, it concluded that the use of the hall (albeit for irregular meetings) was ancillary to office use. Therefore, the hall was found to be exempt from rating in accordance with 11(2)(b). The panel concluded that the prayer room (a space measuring 9.49m^2 in a ten storey building of some 5,817.06m^2) was, in reality a space which had been set aside for quiet contemplation or as a place where a person could retreat to if he need to take some time to destress in addition to being a space for prayer. When applying the same reasonably liberal approach, the panel concluded that the prayer room was essential for the furtherance of the employees work and, therefore, an ancillary office use rendering it exempt from rating in accordance with 11(2)(b).

Determination

18. In view of the panel's findings, this appeal is allowed and the RV of the subject property is altered to £21,000 with effect from 1 April 2017 as follows:

	m^2	£ p/m^2	Value
Ninth floor kitchen	65.04	300.30	19,532
Ninth floor internal storage	5.37	300.30	1,613
	70.41		21,144
		RV Say:	21,000

Order

19. In accordance with regulations 38(4) and 38(9) of the Valuation Tribunal for England (Council Tax and Rating Appeals) (Procedure) Regulations 2009 the Valuation Tribunal for England orders the Valuation Officer to alter the 2017 rating list within two weeks of the date of this order to show the entry for the subject property at £21,000 with effect from 1 April 2017.

Right of further appeal

20. 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.

21. 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 A Fielder, Senior Member (Presiding)
Mr M Nwosu, Member

Mr A Johnson
Clerk to the Tribunal
Date issued to the parties: 12 November 2025