VALUATION TRIBUNAL FOR ENGLAND

Non-domestic rating; 2023 rating list appeal; Local Government Finance Act 1988; Offices and premises; Price per m² in dispute; Lotus and Delta v Culverwell (VO) [1976] RA 141; Rental evidence; Comparable assessments; Appeal dismissed.

APPEAL NUMBERS:CHG101095647

RE:	Chapel Court, 204 Fleetwood Road North, Thornton Cleveleys, Lancashire FY5 4BJ	
BETWEEN:	Partington's Holiday Centres Limited	Appellant
	and	
	Amanda Hitchings (Valuation Officer)	Respondent
SITTING ON:	1 April 2025 (Remote Hearing number 1)	
BEFORE:	Mr Philip Blythe-Bartram	Senior Member
	Professor Iyiola Solanke	
CLERK:	Mr Duncan Adamson IRRV (Hons)	
APPEARANCES:	Mr Philip Knapman	of Knapman Roocroft Ltd for the appellant
	Mr Greg Willetts	for the respondent

Summary of decision

1. Appeal dismissed. The panel confirmed the Rateable Value (RV) of the appeal property as £31,500 with effect from 1 April 2023.

Introduction

2. This 2023 rating list appeal had been brought in respect of the following: the appellant was the non-domestic ratepayer of the appeal property Chapel Court, 204 Fleetwood Road North, Thornton Cleveleys, Lancashire FY5 4BJ.

3. The property had been entered in the 2023 rating list as Offices and premises based on a rate of £80/m² giving an RV of £31,500 with effect from 1 April 2023.

4. A challenge proposal was submitted by the appellant's representative on 25 July 2023 to reduce the rate to £45/m^2 and thereby the RV to £18,000 with effect from 1 April 2023.

5. The valuation officer (VO) issued a challenge decision notice on 5 June 2024 which stated that, based upon the evidence and information available, the rating list entry was reasonable and disagreed with the entry proposed.

6. The appeal property was an office hereditament built pre-1900 and refurbished in 2010. It was of average quality internally with full central heating throughout and a net internal area of 423.13m^2.

7. The appellant had previously been represented by John Houston Consulting but was now represented by Mr Philip Knapman who appeared as both advocate and expert witness. 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 instructed under a conditional fee arrangement. He declared that he understood and accepted that his duty was to the Tribunal in giving his evidence and that he 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.

8. 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 Procedure regulations and was 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).

9. The panel therefore considered the expert evidence and attached such weight to it as it saw fit.

10. This tribunal decision document is not and does not purport to be a verbatim record of proceedings.

Issue

11. The issue in dispute was whether the £/m^2 should be reduced reducing the RV to £18,000.

Evidence and submissions

12. The bundle comprised all of the documents exchanged between the parties as part of the challenge process including the appellant's challenge submission, initial response to the challenge and the VO's challenge case decision notice.

13. The appellant's representative stated that the VO had placed the appeal property in valuation scheme 644029 with ninety other properties, all of which were smaller and ranged in size from 8.4m^2 upwards. It was converted by the appellant from a Methodist chapel in 2010 and was located in a residential area 2km from the centre of Cleveleys and 1 – 2 km from Thornton village.

14. He stated that since March 2021 it had been owner occupied by the appellant and prior to that from 2010 it was owned by Partington's Pension Fund. His client had confirmed that the rent paid previously was set internally between the two connected parties. He had devalued the rent to £176/m^2 which was far in excess of the current rate and of any other local office and this did not therefore provide reliable evidence for the appeal property's valuation. He stated that the appellant's previous representative, Mr John Houston now retired, had advised that the costs of the conversion in 2010 be amortised to get to the rental figure.

15. He referred to the VO's submitted comparable properties and stated that, in his opinion, they were not comparable to the appeal property. They were all smaller than the appeal property and were located in Cleveleys, a more vibrant location to the appeal property that was in an area that was not a commercial centre.

16. He felt that the Lancashire County Council property, located on the same road as the appeal property, larger at 614.4m^2 and valued at the rate of £45/m^2 was the most comparable to the appeal property as it was similar in age, location, quality and size.

17. He also referred to two other properties, the Standards Buildings North and South, less than 500 metres away on the same road as the appeal property and both valued on the base rate of £45/m^2.

18. For these reasons, he contended that the appeal property should be valued at £45/m^2.

19. The VO's representative referred to the rent from 1 February 2021 and agreed with the appellant's representative that it did appear to be a connected parties agreement and therefore gave it low weight.

20. He stated that the valuation scheme 644029 covered typical offices in Thornton Cleveleys and the surrounding areas with values ranging between £61 to £90/m^2.

21. He had submitted four properties as comparable all of which were in the same valuation scheme and valued on a rate of £80/m^2. He had given reasonable weight to the properties at Moy Vets, 2A Brighton Avenue and 31 Nutter Road but less weight for Unit 3 St Georges House. He stated that they were in a better location and some distance from the appeal property, however, this was negated by the refurbishment in 2010 which had made the appeal property reasonably comparable to them.

22. In his opinion, the Lancashire CC building whilst being in the close vicinity of the appeal property was a pre1900 building, internally it was not very comparable and had never been valued on the same scheme as the appeal property.

23. For these reasons, he contended that the appeal property rate of £80/m^2 was not unreasonable.

Decision and reasons

24. The panel was aware that in respect of an appeal against an entry in the 2023 rating list, the rental levels are to be taken as those passing at the antecedent valuation date (AVD) of 1 April 2021. The material day (the date by which

physical factors have to be taken into account) in respect of this appeal is 1 April 2023.

25. The panel noted that both parties had referred to the leading case law of *Lotus and Delta v Culverwell (VO)* [1976] RA 141 which sets out the manner by which a property should be valued.

‘(1) Where the hereditament which is the subject of consideration is actually let that rent should be taken as the starting point.

(2) The more closely the circumstances under which the rent is agreed both as to time, subject matter and conditions relate to the statutory requirements contained in the definition of Gross Value in s.19(6) of the General Rate Act 1967 the more weight should be attached to it.

(3) Where rents of similar properties are available they too are to be properly looked at through the eye of the valuer in order to confirm or otherwise the level of value indicated by the actual rent of the subject property.

(4) Assessments of other comparable properties are relevant. When a valuation list is prepared these assessments are to be taken as indicating comparative values estimated by the Valuation Officer. In subsequent proceedings on that list therefore they can properly be referred to as giving an indication of that opinion.

(5) In light of all the evidence an opinion can then be formed of the value of the appeal hereditament, the weight to be attributed to the differing types of evidence depending on the one hand on the nature of the actual rent and on the other hand, on the degree of comparability found in other properties.

(6) In those cases where there are no rents available of comparable properties a review of other assessments may be helpful but in such circumstances it would be clearly more difficult to reject the evidence of the actual rent.’

26. The panel considered the rent on the appeal property and found that it appeared to be a lot higher and out of kilter with other rents in the vicinity and noted that it was agreed by both parties that it was not an open market rental agreement, it was between connected parties. The panel found that it could not be ignored but only provided little weight in the valuation of the appeal property.

27. The panel found that it was required to refer to other rents and considered the comparable properties submitted by both parties. The panel found that little information had been submitted in respect of the Lancashire CC and the two Standards Buildings properties to properly compare to the appeal property. Only one picture had been provided of the Lancashire property and none of the Standards Buildings as that was a secure site that did not allow public access.

28. The panel found that it was therefore difficult to be able to rely on them for the purposes of the valuation of the appeal property.

29. The panel noted the comments by the appellant's representative that Cleveleys was the more vibrant area and found that the analysed rents of the four properties submitted by the VO's representative were all higher than the rate of £80/m^2 used for the appeal property.

30. In particular, the rent on the property at Moy Vets analysed to £132/m^2 and at 348.9m^2 in area, over 80% of the size of the appeal property, the panel found that this provided good evidence that the £80/m^2 for the appeal property was reasonable considering the differences in location. The panel found that as Moy Vets was also converted office space this provided further reasonable comparability.

31. On the whole, the panel found that the VO had taken into consideration the location of the appeal property as well as the quality of its accommodation and considered that the basket of evidence before it supported the valuation of the appeal property.

32. In cases such as this the onus is on the appellant to provide sufficient evidence to support his case that the valuation of the appeal property was unreasonable, however, the panel found that such evidence had not been provided.

33. The appeal was therefore dismissed.

Date issued to parties: 16 April 2025

Right of further appeal

Any party who is aggrieved by the Tribunal's decision and who appeared or was represented at the hearing has the right of appeal to the Upper Tribunal (Lands Chamber). Any such appeal should be made within four weeks of the date of this decision notice.