IN THE VALUATION TRIBUNAL FOR ENGLAND
IN THE MATTER OF A 2023 RATING LIST APPEAL

Case No: CHG101099443

Sitting remotely using Microsoft Teams

Date: 10 June 2025

SCHEDULE 11 TO THE LOCAL GOVERNMENT FINANCE ACT 1988

2023 Rating List Appeal: Local Government Finance Act 1988; lab and premises; preliminary issues; correct main space rate to be applied; appeal dismissed.

Before:
MS JL HADLEY
MRS N MANZOOR

Between:

SOVRIN PLASTICS LIMITED — **Appellant**

- and -

ANDREW MOULAND (VALUATION OFFICER) — **Respondent**

Regarding:
705, STIRLING ROAD, SLOUGH SL1 4ST
(the "subject property")

Mr C Cates, from Ryan Property Tax Services Ltd representing the Appellant
Mr A Hair from Ryan Property Tax Services Ltd**,** Expert Witness for the Appellant
Mr M Ali representing the Valuation Officer

Hearing date: 13 May 2025

DECISION AND STATEMENT OF REASONS

Decision

1. The appeal is dismissed.

2. The Tribunal Panel determined the appeal property's existing assessment of £515,000 Rateable Value (RV), with effect from 1 April 2023 was not unreasonable.

Introduction

3. This appeal had been brought in respect of the following: 705 Stirling Road, Slough, SL1 4ST, which was entered in the 2023 Rating List as Lab and Premises at £515,000 Rateable Value (RV), with effect from 1 April 2023.

4. The appellant’s challenge to the Valuation Officer (VO) was made on 31 July 2023. The appeal to this Tribunal was made on 12 December 2024, following the VO’s decision notice of 2 December 2024, that the subject property’s Rateable Value would remain unaltered. The material day in this appeal is 1 April 2023.

5. The subject property, built in 2014, is a lab and premises located on the Slough Estate, and is valued within a scheme applicable to industrial units in the Slough Estate built in 2010 and thereafter. The property is stated to benefit from passenger lifts and goods lifts and its size according to the valuation provided, was 3700.78m^2.

6. Mr Cates was appearing on behalf of the appellant as advocate and Mr Hair as 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 Hair’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). They both confirmed that they were not representing the appellant at the hearing on a contingency fee basis, with Mr Hair also 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 the proceedings.

Preliminary issue

9. On 12 May 2025, the Respondent’s representative emailed the clerk as well as both Mr Cates and Mr Hair stating that at the hearing he would be requesting, as a preliminary matter, an adjournment of the appeal and Directions to be issued for the appellant to provide details of fit out costs in respect of the subject property.

The Respondent’s decision made reference to the issue of the fit out costs, with Mr Ali stating that this request was to allow the Respondent to undertake an accurate rental analysis of the subject property’s rent.

10. The Appellant’s representatives objected to the adjournment request, stating that this request had been made on the day prior to the hearing, which formed part of the Check, Challenge and Appeal process, adding that there were no fit out costs filed.

11. The panel, having taken into account, the oral exchanges between the parties about this matter, decided that at this juncture, it was not fair, correct, or in the interests of justice to adjourn the appeal hearing and issue Directions for the Appellant to provide fit out costs details. The Respondent’s representative, by his own admission, stated that this issue should have been raised sooner, with the evidence not suggesting that this matter had been followed up appropriately by the Respondent. The overriding objective of the Tribunal is to deal with cases fairly and justly, and in doing so, it should avoid delay, as far as is compatible with the proper consideration of the issues. Notwithstanding, the panel would take into account, when arriving at a decision, the oral submissions both parties were invited to make about this issue.

Background

12. The appellant sought a reduction in the RV of the subject property to £515,000, on the basis that the unadjusted rate (UAR) of £134.14/m^2 was excessive and that it should be reduced to £117.50/m^2.

Relevant Law

13. When arriving at its decision, the panel is governed by rating legislation laid down by Parliament. Schedule 6 to the Local Government Finance Act 1988, as amended by section 1(2) of the Rating (Valuation) Act 1999, defines the Rateable Value of a non-domestic property as the amount equal to the rent at which it is estimated the property might reasonably be expected to let on a year to year basis 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 the 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.

14. 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, in accordance with the Rating Lists (Valuation Date) (England) Order 2020 (SI 2020 No. 832). In respect of the subject appeal, the material day is 1 April 2023.

Discussion

15. In arriving at its decision, the panel considered whether the current UAR applied to the appeal property's assessment was unreasonable. The Appellant sought a reduced UAR of £117.50/m^2, whereas the Respondent supported the existing UAR of £134.14/m^2.

16. The panel was aware that the Lands Tribunal judgment in Lotus and Delta v Culverwell (VO) and Leicester City Council [1976] RA 141 provided authoritative guidance on the weight to be attached to rental and assessment evidence. This case had established six propositions that gave clear guidance to be followed when assessing rateable value. Bearing these six propositions in mind, the panel acknowledged that the rent on the subject property, where available, was considered to be the correct starting point and consideration to how that rent compared to the statutory definition of rateable value. The rents on similar properties were also considered and assessments on other comparable properties may also be relevant. All of the evidence could then be weighted.

17. In considering whether the current RV was reasonable, the panel turned to the rent passing on the subject property. The panel noted that the current rent was based on a 25 year lease effective from December 2014, with rent reviews at five year periods. Following the most recent rent review in December 2019, the passing rent according to the Appellant was £402,511 per annum.

18. The Appellant stated that the analysis of the subject property's rent differed only slightly between the two parties, at £118.00/m^2 and £117.50/m^2. Both were significantly lower than the £134.14/m^2 adopted by the Respondent, with the UAR requested of £117.50/m^2 taking into consideration the £543,350 fit out costs for the mezzanine floor.

19. The Respondent contended that the rent of the subject property could not be relied upon, as the subject property had been fitted out for the Appellant to a high and individual specification by the landlord, as part of a £4.5M investment. Without the details about the fit out costs, the Respondent maintained that other evidence needed to be considered. The Appellant stated that this £4.5M figure was based upon an article in an industry journal publication by the occupier of the subject property. Notwithstanding, the panel was informed that the subject property had been fitted out by the landlord to a specification agreed with the occupier, with both parties having had a previous landlord and tenant relationship in respect of a different property.

20. The Respondent, in support of its case, referred to rent of comparable properties. The panel considered the rents of comparable properties referred to in this appeal, at 415 and 416 Perth Avenue, 842 Yeovil Road and 562 Ipswich Road, which had UAR's ranging from £152.46/m^2 to £180/m^2. The Appellant stated that of these four properties, the first one, 415 Perth Avenue, should carry the most weight, being the only one falling into a similar quantum size bracket, above 3,000m^2, adding that its rent should analyse at £103.01/m^2 rather than the £165.13 stated by the Respondent. The Appellant's submission had stated that this analysed rent for 415 Perth Avenue was based at rent of £358,345 per annum, however, the panel noted the evidence included an email stating the rent was agreed at £575,000 per annum.

21. Moreover, the respondent had submitted tonal comparable evidence to support the case that the UAR of £134.14/m^2 was reasonable and not excessive, with reference again being made to 415 Perth Avenue, with a UAR of £152.46/m^2. Three other properties, each in excess of 3,000m^2 in area were mentioned, at 7A Farlie Road, 830-832 Yeovil Road, and 9 Cambridge Avenue, with respective UAR values of £157.37/m^2, £130/m^2, and 149.17/m^2.

22. The panel gave regard to and deliberated about the submissions and evidence presented by both parties, In arriving at a decision, the panel noted that the appellant stated that the most pertinent rental evidence remained that of the subject property. On the basis that this evidence was a lease effective from December 2014, that the rent agreed at review in 2019 was not wholly reliable due to uncertain information about the fit out costs involved, carried out by a landlord who had an on-going relationship with the occupier, and that the twenty five year lease was markedly lengthy, the panel placed little weight on the passing rent on the appeal property, which it considered on its own, was not helpful. Instead having been presented with an assortment of evidence by the Respondent, the panel determined this was more appropriate and useful to accurately determine the correct valuation of the subject property,

23. The panel deemed that the onus was on the appellant to evidentially demonstrate that the Rateable Value for the subject property was excessive, such that it necessitated a reduction. The evidence presented did not show this and the panel did not deem that there should be any alteration made to the existing entry in the Rating List .

Determination

24. In view of the above findings and conclusions, the panel was satisfied that the subject property's current assessment in the 2023 Rating List from 1 April 2017 at a Rateable Value of £515,000 was not unreasonable. Accordingly, the appeal was dismissed.

Right of further appeal

25. 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.

26. 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/.

Ms JL Hadley, Senior Member (Presiding)

Mrs N Manzoor, Senior Member

10 June 2025

Mr R Patel
Clerk to the Tribunal
Date issued to the parties: 10 June 2025