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

Case No: CHG101100571

Sitting remotely using Microsoft Teams

Date: 3 June 2025

SCHEDULE 11 TO THE LOCAL GOVERNMENT FINANCE ACT 1988

RATING — Local Government Finance Act 1988 — Reeves (VO) v Truro College [2007] — Accuracy of rateable value in list — Method of valuation — Contractor's basis or Comparable rental basis —Appeal allowed.

Before:
MRS M CHAGGAR
MR AMRAN HUSSAIN

Between:

LONDON BOROUGH OF LEWISHAM — **Appellant**

- and -

NICOLA JOHNSON
(VALUATION OFFICER) — **Respondent**

Regarding:
GRANVILLE PARK ADULT EDUCATION CENTRE, 100 GRANVILLE PARK, LONDON, SE13 7DU
(the "subject property")

Mrs S O'Neill of Wilks Head and Eve for the Appellant
Mr P Bance for the respondent

Hearing date: 7 May 2025

DECISION AND STATEMENT OF REASONS

Decision

1. The appeal is allowed.

2. The Tribunal Panel found that there was insufficient rental evidence to determine the correct rateable value (RV) for the subject property using the rental method and determined a revised RV of £88,000 with effect from 1 April 2017 using the contractors basis of valuation.

Introduction

3. This was a 2017 rating list appeal. The subject property had been entered in the 2017 rating list as “Training Centre and Premises” at an RV of £252,500 with effect from 1 April 2017. The subject property was valued using the rental method.

4. The challenge proposal was submitted by Wilks Head and Eve LLP on behalf of London Borough of Lewisham and was received by the Valuation Officer (VO) on 1 August 2023. It had been made on the grounds that the RV shown in the 2017 rating list was wrong and proposed a revised RV of £88,000 by using the contractors basis of valuation due to no rental evidence in the locality.

5. Mrs O’Neill appeared on behalf of the appellant 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), Mrs O’Neill declared that she was instructed under a conditional fee arrangement.

6. Mrs O’Neill understood and accepted that her duty was to the Tribunal in giving her evidence and she would comply with this regardless of whether or not the evidence supported her client’s case.

7. The Tribunal 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).

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

9. Mr Bance appeared as advocate only for the respondent.

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

Background

11. The subject property was a three-storey building which was purpose built as an adult education centre. It was owner occupied by the local authority, was gated and incorporated carparking provisions.

Relevant Law

The Local Government Finance Act 1988

12. Schedule 6 of the Act provides that:

 2(1)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.

13. In respect of an appeal against an entry in the 2017 rating list, the rental levels are to be taken as those passing at the antecedent valuation date (AVD) of 1 April 2015.

14. 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

15. The panel had been referred to the Land Tribunal judgement *Reeves (VO) v Truro* [2007]. In that appeal the appeal property was converted office accommodation which was occupied as an open learning centre. It was found that the rent paid for the appeal property was broadly in line with office values in the area and therefore could be valued using the rental method.

16. The panel heard from Mrs O’Neill that the subject property was a purpose-built building with the layout and specifications that allowed a classroom and teaching environment. The building incorporated workshops, food preparation rooms and laboratory areas to accommodate different subjects that were taught and had a student café on site. It was her argument that *Reeves* was not relevant in this case as the subject property was not converted office accommodation and could not be occupied as office accommodation without significant structural changes.

17. Mrs O’Neill stated there was no rental evidence for adult education centres in the locality and therefore it was her contention that other valuation methods should be considered, and in this case the contractors method should be used. She had provided a table of adult education centres nationwide to demonstrate that using the contractors basis in these cases did occur. The table included 51 assessments, of which 25 were valued using the contractors basis.

18. Mr Bance stated that as *Reeves* held that education centres could be valued with reference to office rents, the subject property should remain in the rating list with an RV of £252,500 which was based on office rents in Lewisham. He referred to one piece of settlement evidence which he stated was an adult education centre 3.3 miles from the subject property. This was valued

in the rating list at £170 psm as offices and premises. A challenge had been made in relation to the assessment but was subsequently withdrawn.

19. Mr Bance stated that the VOA rating manual states that adult learning centres can be valued by either the rental method or the contractors basis. However, it was his contention that the subject property could be easily occupied as office accommodation with minor alterations and therefore should be valued by the rental method. He referred to the contractors basis as the method of last resort which should only be used where there was no rental evidence.

20. The panel reviewed all of the evidence before it and considered the arguments of both parties. It accepted that in *Reeves* an adult education centre was valued with reference to office values using the rental method. However, it noted that in that appeal rental evidence had been provided as well as a rent for the appeal property which demonstrated they were broadly similar. In the appeal before the panel, the subject property was owner occupied, and no rents had been provided for adult education centres or offices in Lewisham.

21. Mr Bance had stated that the settlement evidence at 333-335 Baring Road was based on office rents within Lewisham, however when asked he confirmed that no comparable rents had been provided in the evidence bundle. The panel noted that in email communications Mrs O'Neill had asked for any rental evidence in the locality to support the rental method, however none had been provided.

22. The panel accepted Mr Bance's view that the table of adult education centres was not local to the subject property, however the panel found it useful to demonstrate other similar properties that were valued by different valuation methods. In addition to this the VOA's own rating manual confirmed that adult learning centres could be valued by either the rental method or the contractors basis.

23. In the absence of rental evidence on the subject property or any rental evidence for comparable properties in the area, the panel found that it was reasonable to value the subject property using the contractors basis.

24. Mrs O'Neill had provided calculations of her contractors basis valuations and these had not been contested by the VO. The panel was therefore satisfied that Mrs O'Neill's valuation of RV £88,000 was reasonable.

Determination

25. In view of the above findings and conclusions, the Tribunal Panel found that it was reasonable to value the subject property by the contractors basis and determined a revised RV of £88,000 with effect from 1 April 2017.

26. Accordingly, the Tribunal Panel orders pursuant to Regulation 38 of the Valuation Tribunal for England (Council Tax and Rating Appeals) (England) Regulations 2009 [SI 2009 No 2269] that the respondent shall alter the 2017 list in respect of Granville Park Adult Education Centre, 100 Granville Park, London, SE13 7DU, within two weeks, to £88,000 RV with effect from 1 April 2017.

Right of further appeal

27. 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.

28. 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 M Chaggar, Senior Member (Presiding)

Mr Amran Hussain, Senior Member

2 June 2025

Mrs S Hodgson
Clerk to the Tribunal
Date issued to the parties: 3 June 2025