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

Case No: CHG101105141

Sitting remotely using Microsoft Teams

Date: 19 September 2025

SCHEDULE 11 TO THE LOCAL GOVERNMENT FINANCE ACT 1988

RATING — Local Government Finance Act 1988 — Offices and premises — Rental evidence — Assessment evidence — Appeal dismissed.

Before:
MRS NC YANG
MR AMRAN HUSSAIN

Between:

THE BRITISH ACADEMY (REPRESENTED BY LAMBERT SMITH HAMPTON GROUP LIMITED) — **Appellant**

- and -

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

Regarding:
10 CARLTON HOUSE TERRACE, LONDON, SW1Y 5AH
(the "subject property")

MR B HANCOCK FOR THE APPELLANT
MR A POWELL FOR THE RESPONDENT

Hearing date: 19 August 2025

DECISION AND STATEMENT OF REASONS

Decision

1. The appeal is dismissed.

2. The Tribunal Panel confirmed the rateable value (RV) of the subject property at £875,000 with effect from 1 April 2017.

Introduction

3. This was a 2017 rating list appeal. The subject property had been entered in the 2017 rating list as “Offices and Premises” at an RV of £875,000 with effect from 1 April 2017. This was based on an unadjusted base rate of £550 per square metre (psm).

4. The challenge proposal was submitted by Lambert Smith Hampton Group Limited on behalf of The British Academy and was received by the Valuation Officer (VO) on 3 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 £665,000 based on an adjusted base rate of £417.85 psm.

5. The VO disagreed with the proposed alteration to the valuation list, and a challenge case decision notice was issued on 18 November 2024 to this effect.

6. Mr Hancock 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), Mr Hancock declared that he was instructed under a conditional fee arrangement.

7. Mr Hancock understood and accepted that his duty was to the Tribunal in giving his evidence and he would comply with this regardless of whether or not the evidence supported his client’s case.

8. 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).

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

10. Mr Powell appeared as advocate only.

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

Background

12. The subject property was office accommodation within a Georgian terraced building. The accommodation was over six floors and serviced by a passenger lift. The subject property had a total area of 1,921.53m^2.

Relevant Law

The Local Government Finance Act 1988

13. 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.

14. 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.

15. 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

16. The subject property was let on a fifty-year term which began on 5 January 1998. This is on a full repair and insurance (FRI) basis with five yearly reviews on an open market basis. There was a review with effect from 5 January 2013 for £650,000 per annum. Mr Hancock adjusted the rent upward to the AVD of 1 April 2015 by applying a growth rate which uplifted the rent by 24.1%. The rent covered the subject property as well as a part of the adjoining building at number 11. Mr Hancock reduced the adjusted rent by £138,000 to account for this which resulted in an adjusted rent of £668,078 per annum which he rounded down to an RV of £665,000.

17. In addition to the rent on the subject property, Mr Hancock referred to the neighbouring property at 6-9 Carlton House Terrace which was valued in the list at £417.85 psm. He stated that in the 2010 list this was valued the same as the subject property at £315 psm. Mr Hancock could not explain the difference in value as he considered the properties to be the same age, locality, use, with the external and internal features of the properties being almost identical.

18. Mr Powell read through the VO's case which had included rental evidence of comparable properties in the locality. The panel disregarded 4-5 Buckingham Gate as it was raised that this was a police station. The three other rents were on smaller office properties, located within 0.2 miles of the subject property. The rents were effective from between 4 February 2014 to 10 April 2015 and had been analysed to £464.98 psm to £788.08 psm.

19. Three properties had also been submitted as assessment evidence at numbers 1, 2, and 3-4 Carlton House Terrace which were all of similar age and size to the subject property located on the same terrace and were valued at £550 psm.

20. The panel considered all of the evidence before it and placed the most weight on the assessment evidence of 1, 2, and 3-4 Carlton House Terrace. Weight was given to the comparable rent evidence of the VO; however, the panel placed less weight than the assessment evidence as it noted they were much smaller than the subject property. Similarly, the panel considered 6-9 Carlton House Terrace, but placed less weight on it than on 1, 2, and 3-4 Carlton House Terrace as it was double the size of the subject property. The panel found that the rent on the subject property required too much adjustment to place high weight on. It was agreed over two years before the AVD and included an additional assessment.

21. It was the panel's opinion that based on the assessment evidence of the wider terrace, the RV of the subject property was not unreasonable and the unadjusted base rate of £550 psm was supported.

Determination

22. In view of the above findings and conclusions, the Tribunal Panel is satisfied that the RV of £875,000 with effect from 1 April 2017 was reasonable. Therefore, the appeal is dismissed.

Right of further appeal

23. 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.

24. 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 NC Yang, Senior Member (Presiding)

Mr Amran Hussain, Senior Member

19 September 2025

Mrs S Hodgson
Clerk to the Tribunal
Date issued to the parties: 19 September 2025