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

Case No: CHG101113535

Sitting remotely using Microsoft Teams

Date: 2 September 2025

SCHEDULE 11 TO THE LOCAL GOVERNMENT FINANCE ACT 1988

RATING — Local Government Finance Act 1988 — 2017 rating list; public house and premises; approved guide, fair maintainable trade; appeal allowed-in-part.

Before:
MRS OO ROBSON
DR T GLEDHILL

Between:

STONEGATE PUB COMPANY LIMITED **Appellant**

- and -

Karen Giles
(VALUATION OFFICER) **Respondent**

Regarding:
YATES WINE LODGE, CHURCH LANE, YORK, YO1 9QT, (the "subject property")

James Boswell, of BNP Paribas Real Estate representing the appellant
Richard Hunter representing the respondent listing officer

Hearing date: 8 August 2025

DECISION AND STATEMENT OF REASONS

Decision

1. The appeal is allowed-in-part.

2. The Tribunal determined that the subject property's assessment should be reduced to £236,000 rateable value with effect from 1 April 2017.

Introduction

3. The appeal was submitted following a challenge made on behalf of the appellant by BNP Paribas Real Estate on 19 August 2023. The challenge was made on the basis that the £310,000 rateable value shown in the 2017 rating list was unreasonable and excessive. The challenge sought a reduced assessment of £180,000 RV with effect from 1 April 2017.

4. The VO issued a decision notice dated 31 July 2024 in which the assessment was revised to £277,000. The appellant remained dis-satisfied and pursued the matter to appeal. Just prior to the hearing the representatives both submitted revised proposals: the valuation officer was arguing for a rateable value of £260,000, and the appellant's representative £208,000.

5. In accordance with regulation 13A of the Non-Domestic Rating (Alteration of Lists and Appeals) (England) Regulations 2009, the appeal to this Tribunal has been made on the grounds that the valuation for the hereditament is not reasonable. The appeal was received by the Tribunal on 20 November 2024.

6. The parties' representatives were appearing as both advocate and expert witness.

7. Mr Boswell confirmed that he was not employed on a success-related fee basis. He declared that he understood and fully accepted that his duty was to the Tribunal in giving evidence, and that he would comply with this as well as the requirements of the professional body, regardless of whether or not the evidence supported his client's case.

8. The panel accepted the expert witness evidence on the above basis: the appeal was not considered complex and to do otherwise would be contrary to regulation 3 (Discharge of VTE functions - general) of the Procedure Regulations. The panel determined that it was appropriate to consider the 'expert' evidence and assess what weight, if any, to give it in the context of the issue before it.

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

Background

10. The subject property is a large public house located in the centre of York. The four-storey brick-built building is over 200 years old; it is believed to have originally been a warehouse. The subject property overlooks the River Ouse and is situated by Ouse Bridge.

11. The trading area is mainly to the ground floor, with an additional space for private parties on the first floor. The ground floor also houses customer toilets and the kitchens, and there are additional toilets, offices and staff accommodation on the first floor. The basement is not fully in use with some areas being prone to flooding. The remainder is used for cellarage and storage, while the top floor is not useable space due to poor insulation. It can be used as

rough storage space. There is an exterior licensed seating area to the rear. The customer area (CA) measures 589m^2 (ground floor 415m^2 plus first floor 174m^2). The weighted figure is 502m^2.

12. The appellant's representative argued that access to the subject property was not straightforward, being negotiated via three pedestrian alleyways. He said that it was not particularly visible from the neighbouring street. He further stated that, although visible from the bridge, the appeal property was not obviously a pub.

13. The panel was required to consider the fair maintainable trade (FMT) to be adopted in the appeal property's assessment, and the extent to which the valuation should be adjusted to reflect overtrading.

14. The evidence bundle comprised the documents exchanged between the parties as part of the challenge process, including a copy of the proposal, GOAD plans, photographs of the subject property and schedules and photographs of comparable properties. The evidence also included extracts from the Rating Lists 2017 - Valuation of Public Houses – Approved Guide and the parties' proposed valuations.

Relevant Law

15. The term 'rateable value' was defined in Schedule 6 to the Local Government Finance Act 1988 (as amended). The value was required to reflect an annual rent on the property, assuming a new letting with the tenant being responsible for all rates, taxes, repairs and insurance. In respect of all entries in the 2017 rating list, the Rating Lists (Valuation Date) (England) Order 2014 requires the rental levels to be taken as at 1 April 2015, the antecedent valuation date (AVD).

16. The material day (the date by which physical factors have to be considered) was provided by the Non-Domestic Rating (Material Day for List Alterations) Regulations 1992 (SI 1992 No. 556) as amended. For this appeal, the material day is 1 April 2017.

Discussion

17. Both parties concurred that the rent on the subject property, agreed in May 2005 and reviewed annually since then was of little assistance; they stated that public houses in York were valued by reference to trade rather than rents.

18. The panel considered the parties' arguments in respect of valuations made in line with the Approved Guide, which had been drawn up by the Valuation Office Agency (VOA) and the British Beer and Pub Association. Under the Guide, a rateable value was essentially based on the Fair Maintainable Trade (or Turnover) of a public house, with adjustments made as appropriate. The FMT represented the annual trade considered to be maintainable at the AVD of 1 April 2015, on the assumption that the business will be conducted proficiently by a 'reasonably proficient operator' (REO) responding to the normal trading practices and competition of the locality.

19. The panel had regard to the Approved Guide, which states: 'Vacant and to let, the REO would be aware of the actual trade (unless a new property) which is the starting point for the valuation process". This is the approach endorsed by Lord Justice Thompson *in Watney*

Mann Ltd v Langley (VO) [QBD 1963]. It goes on to note that "the FMT can be above or below the recent trade history of the property and is a broader approach to valuation than simply adopting actual levels of trade at AVD. It reflects a range of factors (such as location, design and character, level of adaptation and trading history) that are inherent to the property. In assessing the FMT the valuer should exclude any income above the normal expectation that is attributable solely to the personal circumstances or skill, expertise, reputation and / or brand name of a particular operator."

20. Mr Boswell argued that the appellant operated at a level superior to the REO; the valuation officer accepted that there was over-trading, but the parties did not agree on the percentage reduction to be applied. Both parties had submitted valuations reflecting that the subject property was a high performing public house with discounts being applied to the FMT. Their respective valuations using the trade-based approach were as follows:

a. The respondent proposed a rateable value of £260,000:

Valuation	Adopted FMT	Category / bid point	% of receipts	RV
Wet	£1,800,000	Category 1 / 0.800	12.00	£216,000
Dry	£500,000	Band B / 0.704	8.88	£44,400
Total	£2,300,000			£260,400
Say £260,000 Rateable Value, with effect from 1 April 2017				

b. The appellant's representative proposed £208,000:

Valuation	Adopted FMT	Category / bid point	% of receipts	RV
Wet	£1,600,000	Category 1 / 0.375	10.94	£175,040
Dry	£400,000	Band B / 0.45	8.36	£33,440
Total	£2,000,000			£208,480
Say £208,000 Rateable Value, with effect from 1 April 2017				

21. The appellant's representative did not dispute the category one or band B designations. However, he argued that the level of both the wet and dry trade adopted was excessive, as were the bids applied. He contended that the split-level customer areas, unusable areas and flood risk were sufficiently accounted for in the 2017 list, which was a change from the 2010 list.

22. The panel was provided with actual trade receipts for 2012 to 2016:

Year End (September)	Wet £	Dry £
2012	2,350,947	507,958
2013	2,271,899	506,544
2014	2,124,677	512,630
2015	2,101,107	492,255
2016	2,006,359	469,107

23. The panel did not find that the appellant's representative put forward any persuasive argument in support of his proposed adopted FMT of £400,000 for dry trade. Furthermore, the panel noted that this figure was not reflected in any trading year leading up to the AVD. The panel was satisfied therefore that £500,000 was a reasonable FMT figure for the dry trade.

24. There was agreement between the parties that the wet trade was declining; the figures in paragraph 21 above demonstrated a clear downwards trend, even acknowledging that 2012 was an unusually good year with the Olympics and the Diamond Jubilee. The panel found that the valuation officer's proposed wet-led trade figure of £1,800,000 was below the actual figures for every year, pre and post AVD.

25. The panel considered the assessments of several premises put forward as comparable. All were broadly similar in terms of wet / dry trade split although most were smaller than the subject property. O'Neills is next door to the subject property and described by Mr Boswell as 'more visible but with no river frontage'. Mr Hunter described it as 'dark'. It has approximately one quarter of the customer area of the subject property. Measuring 157m^2 CA, the RV is £64,000.

26. Missoula is a larger property, with a customer area of 350m^2 on the ground floor only. It has an RV of £162,000. The Slug and Lettuce is a little larger again, measuring 365m^2 CA, with trading on the ground floor only. The RV is £150,000. It has no outside seating area, but it has more direct access and a frontage onto the river. The panel noted that the FMT for both wet and dry trade was discounted by 30% for over-trading.

27. Mr Boswell stated that two of the suggested comparable properties had a better offering, boasting exceptional riverside views and seating areas. The Pitcher and Piano trades over two floors and has an estimated CA (weighted) of 300m^2. The RV is £139,000. Revolution is the closest in size to the subject property, measuring 790m^2 RCA, weighted figure 598m^2. It trades over two floors. The RV is £300,000. The wet trade figure is discounted by 26% for over-trading. Mr Hunter contended that this property is better than the subject property and popular at all times of the day.

28. The panel noted that other suggested comparable premises, such as the Kings Arms and the Stone Roses were of a different type, being wet trade only.

29. The appellant's representative argued that the extensive opening hours and offerings such as live music, DJs and Sky Sports were not fully taken into consideration. The valuation officer representative responded that he did not believe that these factors resulted in significantly increased trade. He stated that the issue with lack of visibility was of the appellant's own making and could be rectified. He agreed that the upper floor could probably not be brought into use but contended that a reasonably efficient operator would make better use of the first floor.

30. The panel observed that the appeal property sat towards the upper end of the range of comparable properties in terms of FMT, size and rateable value, with only Revolution above it in each aspect. Taking a 'stand back and look' approach the assessment did not appear to the panel to be fully in line with the other assessments. Mr Hunter stated that the 10% reduction applied to the FMT was for the well-known brand name and goodwill of the occupier. The panel noted that both the Slug and Lettuce and Revolution had greater reductions for overtrading than the subject property and did not consider that sufficient reasons had been provided for this.

31. The valuation officer's representative has provided information to demonstrate the level of wet trade achieved by Revolution and the panel acknowledged that the reduction for the subject property should not exceed that given to Revolution; it therefore determined that a reduction of 20% of the actual wet trade achieved should be applied. The revised valuation is below:

Valuation	Adopted FMT	Category / bid point	% of receipts	RV
Wet	£1,600,000	Category 1 / 0.800	12.00	£192,000
Dry	£500,000	Band B / 0.704	8.88	£44,400
Total	£2,300,000			£236,400
Say £236,000 Rateable Value, with effect from 1 April 2017				

Determination

32. In view of the above findings and conclusions, the Tribunal is satisfied that the rateable value should be reduced to £236,000.

33. As a consequence of the above decision, the valuation officer is ordered to reduce the 2017 Rating List entry to £236,000 RV, with effect from 1 April 2017, within two weeks of the
34. date of this Order.

35. The appellant is also entitled to a full refund of the fee paid in accordance with regulation 13E(1)(a) of the Non-Domestic Rating (Alterations of Lists and Appeals) (England) Regulations 2009 (as amended). This will take approximately six weeks to process.

Right of further appeal

36. 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.

37. 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 OO Robson, Senior Member (Presiding)

Dr T Gledhill, Senior Member

Mrs D Davies
Clerk to the Tribunal
Date issued to the parties: 2 September 2025