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

Case No: CHG101121687
CHG101121739
CHG101121769
CHG101121774

Sitting remotely using Microsoft Teams

Date: 27 March 2026

SCHEDULE 11 TO THE LOCAL GOVERNMENT FINANCE ACT 1988

2017 Rating List Appeals: Local Government Finance Act 1988; TV Studios, Offices, and Premises; Request for Allowance for Fragmentation; Appeals allowed in part.

Before:
MR APS CRAWFORD

Between:

SKY UK LIMITED — **Appellant**

- and -

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

Regarding:
SKY, GRANT WAY, ISLEWORTH,TW7 5QD
(the "subject property")

Mr A Waller, representative for the Appellant
Mr S Kelly, representative for the Respondent

Hearing date: 6 February 2026

DECISION AND STATEMENT OF REASONS

DECISION

1. All four appeals CHG101121687, CHG101121739, CHG101121769 CHG101121774 are allowed-in-part,.

2. I find that an allowance of 2.5% should be awarded for the subject hereditament from 1 April 2017, as sought.

STATEMENT OF REASONS

Introduction

3. The appellant made a number of challenges against the accuracy of the compiled list entries in the 2017 Rating List by way of proposals served on the Valuation Officer (VO). The appellants' challenges to the VO were made on 6 September 2023, with the VO's decisions issued on 31 July 2025. The appeals to this Tribunal were made on 5 September 2025.

4. Appeals CHG101121769, & CHG101121774 had referred specifically to requests for a 5% allowance for ongoing works that caused disruption from 4 February 2019 and 15 August 2022. These appeals also requested an allowance for fragmentation.

5. Appeals CHG101121687 and CHG101121739 were made in respect of the following:
    a. That older buildings on the site should be reflected with a lower relativity to the base price of £125/m^2
    b. That a 20% fragmentation allowance should be applied to the assessment throughout the life of the 2017 Rating List, in line with comparable assessment evidence.
    c. That car parking is all at the same rate of £200 per space
    d. That the car parking on Sky Studios and Centaurs BP be deleted from 5 April 2018 to 15 August 2022.

6. Evidence bundles from both parties had been submitted, containing information and evidence in respect of the issues disputed. However, only one issue remained in dispute, which I was required to consider at the hearing.

7. The Tribunal Business Arrangements provide that a hearing will normally take place before a panel of two members of the Tribunal, including at least one Senior Member. During the afternoon on the day prior to the hearing, the other panel member advised that due to illness she would be unable to hear this appeal. Paragraph 11 of these Arrangements also provide that a Senior Member may sit alone to avoid postponing the hearing where a second panel member is unable to sit for any reason. With the agreement of both parties, who raised no objections, I am authorised to hear and determine this appeal alone.

8. Mr Waller was appearing on behalf of the appellant as advocate and 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 his 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). He confirmed that he was not representing the appellant at the hearing on a contingency fee basis, declaring that he understood and accepted that his duty was to the Tribunal in giving his evidence and he would comply with this as well as the requirements of his professional body regardless of whether or not the evidence supported his client's case.

9. I 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). I therefore considered the "expert" evidence and attached such weight to it as I saw fit.

10. Mr Kelly stated that he was appearing in a dual role as both advocate and expert witness for the respondent.

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

Background

12. The subject property serves as the headquarters of Sky UK Ltd, a major British media and telecommunications company. Located in West London, the 37-acre site held under freehold ownership, comprises nine office buildings, multi-storey car parks, a food court, and a health and fitness centre. The site consists of a mixture of different building types of varying quality acquired and converted over the years since the launch of 'Sky Television' in February 1989 with some constructed as early as the late 1970s and others completed in 2022. This mix of older and newer buildings is stated to reflect the combination of growing demands and changing requirements within their organisation.

13. The hereditament, spanning approximately 37 acres, has had multiple iterations of assessment over the course of the 2017 Rating List with various developments and changes on site, including the following effective from:
    - 5 April 2018 - the inclusion of a newly developed multi-storey car park
    - 4 February 2019 - the removal of the building known as Sky 6 and Sky 7 as part of the redevelopment for buildings known as Sky Labs and Sky Pavilion
    - 15 August 2022 - the inclusion of the newly redeveloped buildings known as Sky Labs and Sky Pavilion.

14. The respondent stated the office spaces are designed to accommodate a range of workplace needs, including open-plan working environments and high-specification office areas, well equipped production areas, creative spaces, server space and breakout and communal spaces. Additionally, a warehouse-style building provides studio production facilities, with other office spaces also equipped for television production. The respondent's case submitted that the site is purposely designed to support media operations and production requirements and is regarded to be at the top end of TV Studio spaces currently in England.

15. In the week leading up to the hearing, having contacted the representatives for both parties, the clerk received confirmation that the only issue required to be heard was in respect of the appellant's request for an allowance on the basis of fragmentation issues.

16. Following the challenges, an agreement had been made with regard to the request that older buildings on the site should be reflected with a lower relativity to the base price of £125/m^2. Furthermore, the appellant's representative confirmed that the issues about an allowance for ongoing works that caused disruption, as well as the car parking issues, as referred to in paragraphs 4 and 5 above, were no longer in dispute.

17. The sole issue that I was now required to determine was whether an allowance for fragmentation should be applied, and if so, the level of allowance to be applied. At challenge stage, the appellant had requested an allowance of 20%. The appellant now sought a revised allowance of 7.5%.

18. Both parties had provided details of their revised valuations, taking into account the matters agreed, withdrawn and sought. Their respective valuations were as follows:

- 1 April 2017 to 4 April 2018:
  Current RV of £10,360,000 requested to be reduced to £9,210,000 RV

- 5 April 2018 to 3 February 2019:
  Current RV of £10,490,000 requested to be reduced to £9,630,000 RV

- 4 February 2019 to 14 August 2022:
  Current RV of £10,210,000 requested to be reduced to £9,370,000 RV

- 15 August 2022 to 31 March 2023:
  Current RV of £10,880,000 requested to be reduced to £10,010,000 RV

Preliminary issue

19. Prior to the hearing, on the 4 February 2026, the appellant's representative forwarded to the respondent and the clerk, an email to which was attached a copy of a previous Valuation Tribunal decision (CHG101138894, CHG101138978, CHG101139064, CHG101139132, and CHG101139110), dated 9 January 2026 in support of his appeals, which I will refer to as the "The Hut Group" decision. In addition, the appellant's email also stated that he would be referring to other case law at the hearing including the judgment of *FC Brown Steel Equipment Ltd v Karl Hopkins (VO) (2022) UKUT 51.*

20. The respondent's representative confirmed that he had no objections to the inclusion of this previous Tribunal decision, which I had been sent by the clerk, to be included as evidence in this appeal. With there being no apparent disadvantage for this document to be included as evidence, there was no serious or significant breach and I decided that it was fair and reasonable to allow both parties to refer to "the Hut Group" decision and any other case law to which they deemed appropriate to refer to, in support of their respective cases.

Relevant Law

21. The subject hereditament must be valued for the purpose of non-domestic rating on the basis of the rent at which it might reasonably be expected to let from year to year on a number of assumptions (see paragraph 2(1) of Schedule 6 to the Local Government Finance Act 1988).

22. In accordance with the Rating Lists (Valuation Date) (England) Order 2014 (SI 2014 No. 2841), the date of the hypothetical rent was 1 April 2015 (the AVD). This common date was used to ensure that every property was treated in a consistent way.

23. Matters that affected the physical state or enjoyment of the property or the locality were to be taken at the material day, as outlined by the Non-Domestic Rating (Material Day for List Alterations) Regulations 1992 (SI 1992 No. 556) as amended. In respect of the subject property in these appeals, the material dates were 1 April 2017, 5 April 2018, 4 February 2019, and 15 August 2022 when the respective rateable values for the subject hereditament

had been entered into the Rating List at £10,030,000, £10,490,000, £10,210,000, and £10,880,000.

Discussion

24. The appellant contended that an allowance of 7.5% should be awarded to reflect the fragmented nature of the site, with the subject premises comprising nine main buildings within approximately 37 acres. This allowance to reflect the fragmentation, was requested on behalf of the appellant in line with the comparable assessment evidence, which unlike the subject hereditament had notable allowances to reflect the fragmented nature of their sites.

25. The respondent stated that the VO had found no purpose built TV/Film Studios with an allowance exclusively for fragmentation. In response, he appellant stated that whilst the property is described by the VO as ‘TV Studios, Offices and Premises’ this is merely a description applied by the VO, with the majority of the properties being offices. According to the appellant this simple description did not necessarily reflect the actual market for the hereditament, suggesting that, rather than possibly focusing on the current occupier, consideration be given to an open market letting to a hypothetical tenant. Although the premises worked for Sky UK Ltd, being expanded over time to adapt to and meet their needs, with additional buildings constructed at different dates, it was contended that if Sky UK Ltd had designed the site to suit their needs at each material day, they would not have duplicated what is actually on site as this causes issues with their use of the buildings on site. A new occupier would consider that the fragmentation of the site, as developed, would cause them similar issues and would reflect these disabilities in their rental bid.

26. The appellant’s representative claimed that whilst the main space rate of each building having been agreed between the parties, at £125/m^2, with reduced relativities applied to the older buildings also agreed, these values were in respect of each building, reflecting the value that a hypothetical tenant would pay for each individually. With the presence of multiple buildings on such a large site, requiring additional costs for security and maintenance for each building, and the site itself, and the loss of time associated with people, equipment and goods having to be moved within the hereditament, these disadvantages facilitated the need of an allowance for fragmentation, which outweighed any benefit of having multiple buildings, with specific uses.

27. The position of the respondent remained that that any disadvantage in respect of the nature and configuration of the property was already reflected in the present valuation, of £125/m^2. No allowance had previously been granted for fragmentation on this hereditament and no rental evidence was submitted to support the proposed allowance. There needed to be a cautious approach to avoid an allowance award resulting in an element of double counting.

28. In defending the existing valuations, the respondent submitted evidence in respect of two comparable properties in the locality, which were stated to demonstrate that the adopted main space rate already reflected a disadvantage. These two properties, GSK House, Great West Road, Brentford, and British Airways Waterside. Speedbird Way, West Drayton were both stated to be similar in size, location, age, and to a lesser degree specification, to the subject property, albeit the Sky UK Ltd property was said to be of a higher specification. The main space rates of both comparable properties, agreed for the 2017 Rating List at £175/m^2, signified that the lower main space rate of the subject property, at £125/m^2 took into account the subject hereditament’s disadvantages, even if regarded as fragmented, unlike these two other properties, such that a further allowance was unwarranted.

29. In support of the allowance requested, the appellant's evidence included information relating to over twenty properties where allowances had been awarded, for a divided or split unit, or layout. Of these properties, which were strewn across the country, the appellant placed more reliance on five of these properties, where allowances of between 10% to 16.25% had been awarded. The highest allowance was for the Inland Revenue Government Buildings, Ty Glas Road, Cardiff, with the properties at B&Q House, Chestnut Avenue, Eastleigh, and County Hall & Leahoe House, Bullocks Lane, Hertford awarded allowances of 15%. The first of these properties, at less than half the size of the subject hereditament, was stated by the appellant to be the best indicator as to the level of allowance to be applied. However, the respondent did not regard this property, which had been demolished, to be remotely comparable to the subject property.

30. The allowance for B&Q House, Eastleigh was stated by the respondent to reflect the hybrid nature of that property, whilst County Hall & Leahoe House, Hertford was also not regarded by the VO to be similar to the subject property, with its allowance stated to be awarded due to its unique layout and size. Additionally, both properties were stated not to be in the same mode or category as the subject property. Along with the properties at Durham House, Washington, and Police Headquarters, Saunders Lane, Preston, both with allowances of 10%, the allowances on these five aforementioned comparable properties, were stated by the respondent to reflect allowances for age, size, and functionality.

31. Evidence was also submitted on behalf of the appellant in support of the allowance requested to the properties valued as a Film and TV Studio listed as The Bottle Yard Studios, Whitchurch Lane, Bristol, and the Film Studio and Premises at Shepperton Studios Ltd, Shepperton Studio Centre, Studios Road, Shepperton, Middlesex. Two allowances at 5% for layout and divided/split unit were awarded for the Bristol property, with the Shepperton property stated to have an allowance of 7.5% for poor layout and fragmentation, although the apportionment for each was unknown. These two properties were much older than the subject hereditament, with the Bristol property, converted from warehouse to studio use, stated to comprise far fewer buildings than the subject property, whereas Shepperton Studios comprises mixed-age industrial buildings in a more congested layout. The respondent stated these properties were not directly comparable to the modern, fit-for-purpose studio/offices at the subject property.

32. To further support his argument, the appellant's representative referred to "The Hut Group" Tribunal decision dated 9 January 2026, in which an allowance of 2.5% for a split site was awarded. The property in question in that appeal was comprised of five buildings, a headquarters type office block, a large warehouse with three smaller warehouses. One of the warehouses was used as a studio for filming, which was stated to be accessed via a barrier, with the presence also of limited fencing between the warehouses and office block. The appellant argued that the circumstances in that case were similar to those in this appeal. The studio use in "The Hut Group" appeal was said to be in respect of (on-line) content creation rather than television or film production, with the site regarded as industrial, as opposed to office based. Moreover, the award of the 2.5% allowance was stated to have been made without regard to rental or main space rate settlement evidence.

33. In arriving at a decision, I carefully considered all of the evidence submitted. I was mindful that the Valuation Office Agency's Rating Manual referred to film studio's being assessed based on appropriate rental evidence, with TV studio's based on the values of typical and relevant comparable offices. I was also mindful of the size of the subject hereditament and its level of quality; however, the matter I needed to address was about fragmentation. The

assessment of the subject property included an allowance for quantum and the allowance for which I needed to determine was not in respect of poor quality.

34. I did not find the evidence of the comparables submitted by the respondent, mentioned in paragraph 28 above, being purpose-built buildings in solely office use, to be directly comparable and of particular use. The respondent did not demonstrate to my satisfaction that the issues resulting from the site having multiple buildings were reflected in the main space rates of the respondent's comparables. The issue to be determined was whether the subject hereditament was fragmented to a degree that justified an allowance, with the dispute not whether the main space rate of £125/m^2 was appropriate.

35. In this appeal, the construction of the subject hereditament in a piecemeal fashion was a material and important factor. I also found a degree of weight should be afforded to the appellant's evidence. This appeal, like all others, was to be determined on individual merit; it was not simply the case that consideration should not be given to the fragmentation allowance requested due to the lack of any previous allowance being awarded, or that the mode or category of use was such that, it should be accepted that there would be an accepted level of fragmentation. I agreed with the appellant that there was a level of fragmentation that would impact the rent in the open market to a hypothetical tenant coming fresh to the scene.

36. In determining the level of the allowance, the allowances on The Bottle Yard Studios and Shepperton Studios Ltd assisted to a degree, albeit the latter was more overcrowded than the subject, and I considered the allowance at the former to be excessive. Notwithstanding, I found the most persuasive and relevant evidence, on which to base the level of allowance for fragmentation was that of the January 2026 decision in "The Hut Group" appeal, concluding that in these appeals an allowance of 2.5% be allowed for fragmentation from 1 April 2017.

Conclusion

37. In view of the above findings and conclusions, I am satisfied that an allowance of 2.5% for fragmentation should be granted, effective from 1 April 2017. With no other matters in dispute in respect of the valuation, summary breakdowns of the assessments from the material dates in these appeals are shown below, on the following page:

Order

38. In accordance with Regulation 38 (4) and (9) of the Valuation Tribunal for England (Council Tax and Rating Appeals) (Procedure) Regulations 2009, the Valuation Officer is ordered to alter the list entry for the appeal property, Sky, Grant Way, Isleworth, TW7 5QD, in the 2017 Rating List, to £9,750,000 RV, £10,200,000, £9,930,000 and £10,580,000 with effect from 1 April 2017, 5 April 2018, 4 February 2019, and 15 August 2022, respectively. The Valuation Officer must comply with this Order within 2 weeks of its making.

39. The Appellant is also entitled to a full refund of the fees paid in accordance with regulation 13E(1)(a) of the Non-Domestic Rating (Alterations of Lists and Appeals) (England) Regulations 2009 (as amended).

Right of further appeal

40. 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) using Form T385 (Notice of appeal) within four weeks of the date this decision and statement of reasons was issued.

41. 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/.

Subject Property Valuations

Description	**01.04.2017**	**05.04.2018**	**04.02.2019**	**15.08.2022**
Athena Court	489,141	489,141	489,141	489,141
Sky 6	180,997	180,997		
Sky 7	186,030	186,030		
Sky Studios	2,697,206	2,697,206	2,697,206	2,697,206
The Hub	703,492	703,492	703,492	703,492
Believe in Better	309,218	309,218	309,218	309,218
Health/Fitness	180,328	180,328	180,328	180,328
Set Store	3,175	3,175	54,956	54,956
Sky Central	4,783,874	4,783,874	4,783,874	4,783,874
Sky 4	148,860	145,292	145,292	148,861
Sky 2	322,399	322,399	322,399	322,399
Sky 1	403,002	403,002	403,002	403,002
CCHP Building	18,335	18,335	18,335	18,335
Sky Innovation/Food Hall				780,293
Valuation sub-total	10,426,057	10,422,489	10,107,243	10,891,105
ADDITIONAL FEATURES OF THE PROPERTY INCLUDED IN THE VALUATION				
Multi Storey Car Park	417,000	417,000	417,000	417,000
Multi Storey Car Park 2		518,097	518,097	518,097
Car Parking	183,000	183,000	183,000	183,000
Valuation sub-total	11,026,057	11,540,586	11,225,340	12,009,202
Less Allowances				
Quantum 10%	1,102,606	1,154,059	1,122,534	1,200,920
Fragmentation 2.5%	275,651	288,515	280,634	300,230
Sub-total	1,378,257	1,442,574	1,403,168	1,501,150
Plant and Machinery	109,114	111,270	111,270	76,422
VALUATION TOTAL	9,756,914	10,209,282	9,933,442	10,584,474
Say Rateable Values of…	**£9,750,000**	**£10,200,000**	**£9,930,000**	**£10,580,000**

Date issued to parties:
5 March 2026 (reissued on 6 March 2026 and 27 March 2026)

42. Amended decision in accordance with Regulation 39 – Clerical mistakes and accidental slips or omissions, of the Valuation Tribunal for England (Council Tax and Rating Appeals) (Procedure) Regulations 2009. Incorrect information was stated in paragraphs 1, 2 and 4 of the decision, with it stated that appeals CHG101121769, & CHG101121774 were dismissed

as they had been made specifically to request a 5% allowance for ongoing works that caused disruption information. These two appeals both included the dispute about an allowance for fragmentation. Consequently, all four appeals were allowed in part. Paragraphs 1, 2, and 4 have been amended to show that all four appeals were allowed in part and no appeals were dismissed. There was no change to the rateable values arrived at, as shown in the table the above page.

43. Further amended decision in accordance with Regulation 39 - Clerical mistakes and accidental slips or omissions, of the Valuation Tribunal for England (Council Tax and Rating Appeals) (Procedure) Regulations 2009. The valuations in respect of these four appeals, CHG101121687, CHG101121739, CHG101121769 and CHG101121774 were incorrect due to the omissions of values to be attributed for ‘Plant and Machinery’. The appropriate values for ‘Plant and Machinery’ have been included to each assessment, with revisions made to the paragraph 38, the Rateable Values to be entered in the Rating List with effect from 1 April 2017, 5 April 2018, 4 February 2019, and 15 August 2022, and also to paragraph 41, the Subject Property Valuations, which reflect the revised and correct assessments

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Mr APS Crawford, Senior Member (Chair)
27 March 2026

Mr R Patel
Clerk to the Tribunal
Date issued to the parties: 27 March 2026