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

Case No: CHG101128419

Sitting remotely using Microsoft Teams on 16/02/2026

Date: 18 March 2026

SCHEDULE 11 TO THE LOCAL GOVERNMENT FINANCE ACT 1988

RATING — Local Government Finance Act 1988 — Warehouse and premises — Unadjusted base rate —Appeal allowed in part

Before:

MR PA JENNINGS
MR P BLYTHE-BARTRAM
MR C DERRICK

Between:

DELPHI DIESEL SYSTEMS LTD **Appellant**

- and -

LUCY FORMELA-OSBOURNE (VALUATION OFFICER) **Respondent**

Regarding:

DELPHI DIESEL SYSTEMS LTD, BRUNEL WAY, STONEHOUSE, GL10 3SX
(the "subject property")

Mr P Phillips for the Appellant
Mr M Williams for the Respondent

DECISION AND STATEMENT OF REASONS

DECISION

1. The appeal is allowed-in-part.

2. The Tribunal determined a rateable value (RV) of £735,000 with effect from 1 April 2023.

STATEMENT OF REASONS

Introduction

3. This was a 2023 rating list appeal. The subject property had been entered in the 2023 rating list as “Factory and Premises” at an RV of £810,000 with effect from 1 April 2023. This was based on an unadjusted base rate of £38.50 per square meter (psm).

4. The challenge proposal was submitted by Appeal My Rates UK Ltd on behalf of Delphi Diesel Systems Ltd and was received by the Valuation Officer (VO) on 13 September 2023. It had been made on the grounds that the RV shown in the 2023 rating list was wrong and proposed a revised RV of £718,000 based on an unadjusted base rate of £34 psm.

5. The VO issued a challenge case decision notice. The VO’s decision was to treat the appellant’s challenge as not well-founded and proposed no change to the rating list.

6. Following the appeal submission, the appellant company changed its name from Delphi Diesel Systems Ltd to Phinia Delphi UK Ltd

7. Mr Phillips 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 Phillips declared that he was instructed under a conditional fee arrangement.

8. Mr Phillips 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.

9. 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).

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

11. Mr Williams appeared as both advocate and expert witness.

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

Background

13. The subject property was an industrial unit, located on the outskirts of Stonehouse in Gloucestershire. The property was built in 1991 and measured 22,304.10m^2. A partial refurbishment took place in 2006.

14. The issue in dispute is the tone for the subject property. There is no dispute between the parties on the relativities applied.

Relevant Law

The Local Government Finance Act 1988

15. 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.

16. 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.

17. 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 2023.

Discussion

18. The leading judgment of *Lotus and Delta v Culverwell (VO) and Leicester City Council* [1976] RA 141, referred to by both parties, set out six propositions to be followed when considering the weighting of evidence:

    1. Where the hereditament which is the subject of consideration is actually let that rent should be taken as the starting point.
    2. The more closely the circumstances under which the rent agreed both as to time, subject matter and conditions relate to the statutory requirements contained in the definition of gross value in s.19(6) of the General Rate Act 1967 the more weight should be attached to it.

3. Where rents of similar properties are available, they too are to be properly looked at through the eye of the valuer in order to confirm or otherwise the level of value indicated by the actual rent of the subject property.
4. Assessments of other comparable properties are relevant. When a valuation list is prepared these assessments are to be taken as indicating comparative values estimated by the Valuation Officer. In subsequent proceedings on that list therefore they can properly be referred to as giving an indication of that opinion.
5. In light of all the evidence an opinion can then be formed of the differing types of evidence depending on the one hand the nature of the actual rent and on the other hand, on the degree of comparability found in other properties.
6. In those cases where there are no rents available of comparable properties a review of other assessments may be helpful but, in such circumstances, it would be clearly more difficult to reject the evidence of the actual rent.

19. The panel heard from the parties that there was very limited rental evidence on large industrial properties of this size. The subject property was owner occupied. For this reason, both looked to comparable assessments, however the parties' views on what was comparable in this instance differed.

20. Mr Williams referred to other industrial properties in the locality; however, these were significantly smaller than the subject property. Mr Phillips referred to other industrial properties of a similar scale; however, these were not located in the same area as the subject property.

21. Mr Williams provided evidence of five warehouses. Three were in Cirencester, one was in Hardwicke, and one was in Bristol. The properties ranged in size from 2,213.62m^2 to 4,118.6m^2. Mr Williams stated that he was not suggesting these properties were truly comparable to the subject property but demonstrated how industrial units were increasing in value. The five properties had increases in the unadjusted base rate between 18% and 27% between the 2017 and the 2023 rating list.

22. Mr Phillips provided evidence of five industrial properties located in Bristol, Gloucestershire, Eastleigh, Dorset, and Andover. The properties ranged in size from 20,650m^2 to 34,137m^2. Mr Phillips argued that location wasn't as important to industrial units of this size, with the exception being the South East due to the logistics and proximity of ports. Mr Williams agreed with this perspective. It was Mr Phillips' contention that the subject property should be compared to similar sized properties rather than significantly smaller industrial units in the immediate locality.

23. The panel heard from Mr Williams that large industrial properties were difficult to value due to the lack of rental evidence. What rental evidence there is tended to be less reliable due to significant premiums and connected party rents. He stated that the 2023 rating list was creating consistency between these assessments. The smaller industrial units had seen generalised uplifts between the 2017 and 2023 rating lists which was then applied to the larger properties. Mr Williams contended that, whilst the market showed increases between the 2017 and 2023 rating list, due to the lack of evidence the subject property only had a 10% uplift applied.

24. The panel considered all of the evidence before it. It found that, whilst Mr Williams had demonstrated that there had been uplifts on industrial properties between lists, there was no evidence behind how these were calculated and as per Mr Williams' own evidence, they were not based on rental evidence and were inconsistent values. Because of this, the panel found it

difficult to attribute much weight to the percentage increases on the industrial units between the 2017 and 2023 rating lists.

25. The panel placed the most weight on the Mr Phillips' evidence of similar size industrial units. During the hearing the panel heard from Mr Williams that he accepted that in terms of comparability, with the exception of the locations, that the larger industrial units referred to by Mr Phillips were more comparable to the subject property.

26. The panel found that Unilever, which measured 34,137m^2, and was located in Gloucestershire was the most comparable to the subject property. It was in the 2023 rating list with an unadjusted base rate of £18.50 psm. However, the panel was aware that this rate was for the older parts of the site. The newest part of the Unilever site, built in the 1990's, was valued at £33.50 psm.

27. Draper Tools was stated by Mr Phillips as being the most comparable to the subject property as it was also a heavy machinery site. It measured 29,778m^2 however it was located in Eastleigh in the South East. It had an unadjusted base rate of £27.50. The 1990's-built part of the site was valued at £45 psm.

28. The panel took into account that both parties agreed that values in the South East were higher due to the cost of land and logistical benefits. It found that the subject property was a newer build than Mr Williams' comparable properties, having been built in 1991 with a refurbishment in 2006. The panel therefore considered the higher values for the Unilever and Draper sites which related to the 1990's sections of each.

29. It was the panel's opinion that taking everything into account, the age of the subject property compared to the comparables, the size and locations of all of the properties, and the value of the subject property in the 2017 rating list as a starting point, that there was no evidence to support the current value of £38.50 psm and it was therefore unreasonable.

30. As the panel gave the most weight to Unilever, which was an overall older site, it was the panel's opinion that the subject property should be valued higher. Draper was also used as a heavy machinery site but was valued higher due to its location in the South East. For these reasons, it was the panel's view that £35 psm was reasonable for the subject property.

Conclusion

31. In view of the above findings and conclusions, The Tribunal Panel is satisfied that the RV of the subject property was unreasonable and determined an RV of £735,000 with effect from 1 April 2023 based on an unadjusted base rate of £35 psm. Therefore, the appeal was allowed in part.

Floor	Description	Area (m^2)	£/m^2	Value (£)
Ground	Office	912.20	42.00	38,312
Ground	Production Area	8845.00	34.13	301,880
Ground	Area Under Supported Floor	512.00	23.89	12,232
Ground	Area Under Supported Floor	428.50	23.89	10,237
Ground	Staff Toilets	106.30	35.00	3,721
Ground	Internal Storage	1106.50	34.13	37,765
Ground	Test Room	1078.40	34.13	36,806
Ground	Plant Room	337.90	34.13	11,533
Ground	Workshop	1036.45	34.13	35,374
Ground	Atrium	100.65	42.00	4,227
Ground	Kitchen	52.60	42.00	2,209
Ground	Rest Area	79.55	34.13	2,715
Ground	Canteen	308.10	38.50	11,862
Ground	Medical Room	46.90	42.00	1,970
Ground	Training Room	208.20	42.00	8,744
Ground	Warehouse	1768.00	34.13	60,342
Ground	Canopy	82.35	5.12	422
Ground	Works Office	447.00	35.00	15,645
Ground	Entrance	293.25	40.95	12,009
Ground	Locker Room	307.55	37.54	11,545
Ground	External Storage	98.50	25.59	2,521
First	Office	1176.45	42.00	49,411
First	Staff Toilets	54.90	22.75	1,249
First	Internal Storage	49.90	22.18	1,107
First	Plant Room	117.30	22.18	2,602
First	Atrium	100.65	40.95	4,122
First	Prayer Room	12.45	42.00	523
Mezzanine	Internal Storage	286.25	17.06	4,883
Mezzanine	Plant Room	2163.10	17.06	36,902
Mezzanine	Office	187.20	38.50	7,207
	Subtotal			**730,077**
	Plant and Machinery			9,541
	Total			**739,618**

32. 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 2023 rating list in respect of Delphi Diesel Systems Ltd, Brunel Way, Stonehouse, Glos GL10 3SX within two weeks.

Right of further appeal

33. 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.

34. 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/.

Mr PA Jennings, Senior Member (Chair)
Mr P Blythe-Bartram, Senior Member
Mr C Derrick, Senior Member
15 March 2026

Mrs S Hodgson
Clerk to the Tribunal
Date issued to the parties: 18 March 2026

Addendum
Following the release of the decision document, a party identified an error in line 1 of the valuation. This error has now been corrected following authorisation by the Valuation Tribunal for England under regulation 39 of the Valuation Tribunal for England (Council Tax and Rating Appeals) (Procedure) Regulations 2009.