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

Case No: CHG101146541

Sitting remotely using Microsoft Teams

Date: 14 August 2025

SCHEDULE 11 TO THE LOCAL GOVERNMENT FINANCE ACT 1988

RATING — Local Government Finance Act 1988 — shop, store and premises; appeal against the accuracy of the rateable value of the hereditament; appeal allowed-in-part.

Before:
MR B PROUDFOOT
MR C M TAYLOR

Between:

SEAN HANNA SUTTON LTD **Appellant**

- and -

ANDREW MOULAND (VALUATION OFFICER) **Respondent**

Regarding:
LEVEL 1 UNIT 21, ST NICHOLAS CENTRE ST NICHOLAS WAY, SUTTON, SM1 1AX
(the “subject property”)

Miss I Gathercole (instructed by Ryan Property Tax Services UK Ltd) for the **Appellant**
Mr A Aubrey, acting as advocate for the **Respondent**
Mrs L Dean, acting as expert witness for the **Respondent**

Hearing date: 30 July 2025

DECISION AND STATEMENT OF REASONS

Decision

1. The appeal is allowed-in-part.

2. The Tribunal panel determined a revised rateable value (RV) of £25,500 in respect of Level 1 Unit 21, St Nicholas Centre, St Nicholas Way, Sutton, SM1 1AX with effect from 1 April 2023.

Introduction

3. In accordance with regulation 13A of the Non-Domestic Rating (Alteration of Lists and Appeals) (England) Regulations 2009, the appeal has been made to this Tribunal on the grounds that the rateable value (RV) for the appeal property is not reasonable.

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

Background

5. The subject property was built in 1995 and refurbished in 2010. It is a hair salon, located on the ground floor within the St Nicholas shopping centre in Sutton. The total area in terms of main space (ITMS) is $68m^2$ and it has access to the basement. The Appellant had been in occupation of the subject property since 2010.

6. The RV for the hereditament with effect from 1 April 2023 was £27,000 with effect from 1 April 2023 which was based on an unadjusted rate of £400/m^2.

7. In the proposal, the Appellant's representative initially sought a reduction to £20,500 RV, based on an unadjusted rate of £305/m^2. Following the challenge, the representative revised this figure and was seeking a reduction to £21,000 RV, based on an unadjusted rate of £310/m^2.

8. The evidence submission before the panel comprised all the evidence disclosed and exchanged during challenge which included comparable rental evidence and its analysis, comparable assessment evidence and photographs.

9. Miss Gathercole appeared on behalf of the Appellant as both advocate and expert witness. She stated that her company was being paid on a contingency fee basis but was aware that in giving expert evidence her responsibility was to the Tribunal.

10. The panel accepted this expert witness evidence on the above basis, as 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 in England). The panel therefore considered the "expert" evidence and attached such weight to it as it saw fit.

11. Mr Aubrey appeared in the role of advocate, and Mrs Dean appeared in the role of expert witness. Both appeared on behalf of the Valuation Officer.

Relevant Law

12. 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 responsible for all rates, taxes, repairs and insurance. In respect of the 2023 rating list, the Rating Lists (Valuation Date) (England) Order 2020 (SI 2020 No.832) requires the rental levels to be taken on 1 April 2021. In respect of the subject appeal, the material day is 1 April 2023.

Discussion

13. In the case under consideration, the panel analysed the competing evidence having regard to the authoritative guidance in *Lotus & Delta v Culverwell (VO) and Leicester City Council* [1976] RA 141.

14. The starting point for consideration was the actual rent passing on the appeal hereditament. The Appellant’s representative stated that the property was subject to an open market lease renewal for a ten-year term, with a headline rent of £27,500 per annum, excluding water and service charges. The lease commenced on 19 February 2021 and included a 12-month rent-free period, meaning rent payments began on 19 February 2022. A tenant break option was available in the fifth year. Miss Gathercole stated that, as this was a lease renewal, no fit-out was required and the rent-free period was purely an incentive. She analysed the rent to the break date, equating to £310.62/m^2, and considered this to be the most reliable evidence due to the lease renewal occurring close to the AVD. At the hearing, the panel established that the straight-line analysis of the rent over five years equated to £323.53/m^2, based on an area of 68m^2.

15. Mr Aubrey argued that the lease extracts provided by the Appellant differed from the form of return (FOR) information received in respect of the subject property, and the Appellant had not provided a full signed copy of the lease agreement. He further argued that whilst the lease was dated 19 February 2021, the rent start date was 19 February 2022 which he considered to be too far from the AVD. During her presentation, Mrs Dean also made reference to FOR data received on 1 June 2020, however she conceded that this had not been included in the evidence submission, and no application had been made to the Tribunal for its inclusion. She therefore withdrew this information and the panel disregarded it.

16. The panel noted that although Mr Aubrey argued against considering the lease extracts submitted by the Appellant, the issue had not been raised during the evidence submission. The Valuation Officer had referenced the lease and its extracts without indicating that a complete copy was necessary for the contents to be accepted. Therefore, the panel accepted the lease extracts provided by Miss Gathercole. Additionally, the panel acknowledged that whilst the rent start date for the lease renewal was 19 February 2022, it was clearly dated 19 February 2021.

17. Within the evidence submission, the rent in respect of the subject property had been analysed by the Valuation Officer at £377.06/m^2, against a tone of £400/m^2. At the hearing, Mrs Dean stated that the figure of £400/m^2 had been taken directly from the Valuation Office Agency computer system, however she had analysed the annual rent of £25,644 without fit out costs to a base rate of £377.06/m^2.

18. In terms of indirect rental evidence, Miss Gathercole referred to two further properties. The first was Level 1 Lower Ground Floor Unit 22 (Unit 22). This unit was leased for five years

starting from 21 May 2021, with the headline rent of £18,000 per annum. As part of the lease agreement, a 12-month half-rent incentive was granted at the outset, and a mutual break clause was included from 31 December 2023. Miss Gathercole had analysed the rent to the break date at a rate of £303.74/m^2. She argued that Unit 22 was in the same scheme as the subject property, situated on the same floor with comparable specifications. Furthermore, both properties were valued at the same price per m^2 in the 2017 and 2023 rating lists.

19. The Valuation Officer contended that the FOR data for Unit 22 indicated a lease renewal effective from 1 May 2021. She had analysed the rent at £467.45/m^2 and argued that this supported the tone of £400/m^2 for the subject property, as the rate matched that of Unit 22 and lease renewal occurred close to the AVD. However, during the hearing, Mrs Dean stated that upon further review of the evidence, she had revised her rent analysis. She considered the annual rent of £18,000, amortised the six-month rent-free over the five-year lease term, accounted for the six-month delay in rent commencement, and made adjustments for full repairing and insuring (FRI) terms. This led to a revised analysis of £457.58/m^2.

20. Miss Gathercole argued that there was a lease renewal on the subject property just prior to the AVD and a lease renewal on Unit 22 just after the AVD, and in her opinion the true value was in the middle.

21. The second property referenced by the Appellant was Unit 1.02 St Nicholas Centre (Unit 1.02). The headline rent was set at £35,000 per annum, with a six-month rent-free period commencing at the start of the lease, and a tenant break option in the fifth year. The Appellant had analysed this rent to £364.84/m^2. However, she assigned the least weight to this property, as the lease agreement was reached in September 2019, which was further removed from the AVD. Mrs Dean once again argued that a full copy of the lease had not been provided by the Appellant and also considered that little weight should be given to this evidence due to the date the agreement was reached.

22. In terms of comparable assessment evidence, the Valuation Officer had relied on Kiosk 1 South, St Nicholas Centre (Kiosk 1) and Level 1 Lower Ground Floor Unit 15 (Unit 15). The Valuation Officer had placed mid weight on this property as it was a lease renewal for £20,000 with rent effective from 1 September 2021. The Valuation Officer had analysed this rent to £455.73/m^2 against a tone of £400/m^2.

23. Miss Gathercole argued that less weight should be applied to Kiosk 1 because it was agreed five months post AVD. Additionally. the tenant had been in occupation since 1995 and the rent of £20,000 per annum was not a clean open market rent.

24. The second property was Unit 15. Mrs Dean stated that greatest weight should be placed on this property. The FOR data showed that this was a new letting with a three-year lease with rent payable from 1 March 2020, with no rent review and no incentives. Miss Gathercole argued that the tenant at Unit 15 had taken occupation in December 2019 and therefore the lease was agreed pre-pandemic and was too far removed from the AVD. The Valuation Officer had analysed the passing rent of £20,000 per annum at £449.70 against a tone of £400/m^2. Miss Gathercole argued that there were other rents closer to the AVD which held more weight.

25. Mrs Dean also made reference to Unit 1.06 in the same shopping centre, which she stated was a similar size range and had the same base rate of £400/m^2.

26. The Appellant argued that the property was not valued on size, but on its location and therefore the Valuation Officer's argument was flawed. She argued that the scheme the property was assessed under was the only scheme in the locality which had seen an increase between lists. At the hearing, Mrs Dean stated that the neighbouring shopping centre had a decreased base rate in the previous rating list, which had been increased and that it was possible that the tone of both shopping centres had been adjusted to a similar level.

27. Having considered all the evidence, the panel found that of the rental evidence relied on the Valuation Officer, with the exception of the subject property, they all analysed to a figure between £449.70/m^2 and £467.45/$m^{2,}$ the subject property had been analysed to £377.06/m^2 and they had all been assessed at a blanket unadjusted rate of £400/m^2. Consequently, the panel concluded that £375/m^2 was more appropriate for the subject property based on the expert witness evidence given by the Valuation Officer.

Determination

28. In view of the above findings and conclusions, the Tribunal panel determined that the RV in respect of the subject hereditament was unreasonable, and that an unadjusted rate of £375/m^2 more accurately reflected the appeal property. The panel calculated the revised valuations as shown below. The Appellant's representative had been seeking a revised RV of £21,000, however the revised figure of £25,500 RV was calculated based on the revised unadjusted rate.

Hereditament Address					
Level 1 Unit 21, St Nicholas Centre, St Nicholas Way, Sutton SM1 1AX					
Ref	**Floor**	**Description**	**Area (m^2)**	**Price (£/m^2)**	**Value (£)**
1.1	Ground	Retail Zone A	47.25	£375.00	£17,719
1.2	Ground	Retail Zone B	31.30	£187.50	£5,869
1.3	Ground	Retail Zone C	8.08	£93.75	£758
1.4	Basement	Mess/Staff Room	8.96	£37.50	£336
1.5	Basement	Office	4.90	£37.50	£184
1.6	Basement	Internal Storage	7.83	£37.50	£294
1.7	Basement	Internal Storage	9.16	£37.50	£344
1.8	Basement	Staff Toilets	N/A	£0.00	£0.00
	Adjustments				
	None				
				Total Value	£25,504
				Rateable Value	£25,500
				Effective Date	1 April 2023

29. As a consequence of the above decision, the Tribunal panel orders the Valuation Officer to reduce the 2023 Rating List entry in respect of Level 1 Unit 21, St Nicholas Centre, St Nicholas Way, Sutton, SM1 1AX to £25,500 RV with effect from 1 April 2023. The Valuation Officer must comply with this Order within two weeks of the date of its making.

30. The Appellant is entitled to a full refund of the fee paid in respect of the subject hereditament in accordance with regulation 13E(a)(a) of the Non-Domestic Rating (Alterations of Lists and Appeals) (England) Regulations 2009 (as amended).

Right of further appeal

31. 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.

32. 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 B Proudfoot, Senior Member (Presiding)

Mr C M Taylor, Senior Member

14 August 2025

Mrs K Edhouse-Thomas
Clerk to the Tribunal
Date issued to the parties: 14 August 2025