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

Case No: CHG101146658
and CHG101146661

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SCHEDULE 11 TO THE LOCAL GOVERNMENT FINANCE ACT 1988

Non-Domestic Rating; Local Government Finance Act 1988; Offices and premises; Size, Fragmentation, Split site; End allowances; Lotus and Delta v Culverwell (VO) [1976] RA 141; Comparable assessments; Appeals dismissed.

Before:

MS C EDWARDS
DR SALLY PENNI

Between:

COMPARE THE MARKET LTD **Appellant**

- and -

THE VALUATION OFFICER **Respondent**

Regarding:

BGL GROUP LTD, BAKEWELL ROAD, ORTON SOUTHGATE, PETERBOROUGH PE2 6YS

Mr Paul Rabette of Rabbette Chartered Surveyors for **the Appellant**
Ms Katherine Cockhill of the Valuation Office Agency for the **Respondent.**

Hearing date: 8 May 2025

DECISION AND STATEMENT OF REASONS

Decision

1. The appeals were dismissed. The Rateable Value (RV) of the appeal property remains at £945,000 with effect from 1 April 2017.

Introduction

2. These 2017 rating list appeals had been brought in respect of the following: the appellant was the non-domestic ratepayer of the appeal property BGL Group Ltd, Bakewell Road, Orton Southgate, Peterborough PE2 6YS.

3. The property had been entered in the 2017 rating list as Offices and premises based on a rate of £95.00/m^2 with an end allowance for a split site of 5% giving an RV of £1,050,000 with effect from 1 April 2017.

4. A challenge proposal was submitted by the appellant's representative on 20 October 2023 to increase the split site end allowance from 5% to 10% and to include a 10% end allowance for size or quantity giving an RV of £885,000.

5. The valuation officer (VO) issued a challenge decision notice on 29 August 2024 stating that the rating list entry was unreasonable based on the evidence and information available but disagreed with the entry proposed in the submission.

6. The rating list entry was amended by the VO to show an RV of £945,000 based on a rate of £95/m^2 but with an end allowance for size of 10% with effect from 1 April 2017. The 5% end allowance for a split site was not increased and this was now the basis of the appeal reference number CHG101146658.

7. The appeal property BGL Group was the head office of Compare the Market and was entered in the 2017 rating list as offices and premises. It comprised of two purpose built office buildings, Pegasus and Saxon House, built in the 1990's and 2012 respectively, both of average quality.

8. The appellant was represented by Mr Paul Rabbette of Rabbette Chartered Surveyors who appeared 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) he confirmed that he was instructed under a conditional fee arrangement. He declared that he understood and accepted that his duty was to the Tribunal in giving his evidence and that he would comply with this as well as the requirements of his professional body, regardless of whether or not the evidence supported the client's case.

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

Preliminary Issue

12. The RV of the property had been increased by the VO to £1,060,000 with effect from 30 September 2017 on the basis of there being an additional ground floor office of 96.53m^2. This had prompted the second appeal CHG101146661.

13. However, the VO's representative advised that the parties had agreed that this increase was not appropriate and the RV was to remain as £1,050,000 reduced by the 10% end allowance for size to £945,000. The remaining appeal CHG101146658 is therefore simply for an increase in the end allowance for a split site from 5% to 10% to reduce the RV to £885,000 with effect from 1 April 2017.

Relevant Law

14. Local Government Finance Act 1988.
15. *Lotus and Delta v Culverwell (VO)* [1976] RA 141.

Issue

16. The issue in dispute was whether the RV of the appeal property should be reduced by increasing the end allowance for a split site from 5% to 10% with effect from 1 April 2017.

Discussion

17. The bundle comprised all of the documents exchanged between the parties as part of the challenge process including the appellant's challenge submission, initial response to the challenge and the VO's challenge case decision notice.

18. The panel was aware that 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. The material day (the date by which physical factors have to be taken into account) in respect of this appeal was 1 April 2017.

19. The panel was aware that the leading case law in non-domestic property valuation was *Lotus and Delta v Culverwell (VO)* [1976] RA 141 which sets out the manner by which a property should be valued. In this appeal, the panel considered the rent and assessments of other comparable properties submitted by the parties.

20. The appellant's representative stated that he had inspected the appeal property many times and the last inspection was carried out on 8 March 2022. The main part of the hereditament was Pegasus House which the company outgrew and therefore subsequently built Saxon House in 2012.

21. He referred to the print out of the layout of the hereditament which showed that Pegasus House was U-shaped and split into various sections making 14 different elements that could be sub-divided and there were a number of entrances within the complex, all of which created a significant layout issue. Saxon House, however, was a good quality modern office building on three floors.

22. There were two leases on the hereditament with the total rent being £1,517,906 per year.

23. He explained that the two buildings were contiguous with one another and that there was a distance of approximately 58.81 metres between the nearest points of the two buildings. During his inspection he noted that he could walk between the two buildings, however, door to door, the distance was significantly further.

24. He submitted nine comparable properties in the Peterborough City Council area that had an end allowance of 5% for fragmentation, a split site or layout. The appeal property at 11,657.m^2 was much larger than the comparable properties that ranged from 42.48m^2 to 1,183.35m^2. In his opinion, the appeal property should have a larger allowance as it consisted of two distinct buildings with the layout of Pegasus House being poor.

25. Further, that the material change between the 2010 and 2017 rating lists was that, in 2010, the appeal property was one of a number of large occupiers in the office market in Peterborough but since then companies had either closed or downsized as a result of which it was now the largest by far. He referred to four properties of a size greater than 7,500m^2 in area that were not in the 2017 list but had been in the 2010 list, three of which had an end allowance for size or quantity. None of them were two separate buildings.

26. For these reasons he contended that an end allowance of 10% for the appeal property was justifiable and fair.

27. The VO's representative made reference to the rent on the property being the starting point for its valuation at £1.5m being much higher than the RV. She was not dismissive of the rent but did not lend it high weighting in consideration of the end allowance.

28. In her view, rating list history on the appeal property was the best guide for appropriate allowances and this was why the 10% size allowance was now included. It was in the 2010 list but, for some reason, not brought forward to the 2017 list.

29. Similarly, the 5% end allowance for layout was also in the 2010 list and as there had been no material change to the appeal property between lists there was no evidence to increase it in the 2017 list. She stated that end allowances were based on physical factors not market factors and therefore the changes referred to by the appellant's representative between the 2010 and 2017 lists were not relevant. She also commented that it was the appellant's representative that had agreed the 5% with her in 2010.

30. She felt that the comparable properties in the 2017 list submitted by the appellant's representative were not relevant as, in some cases, the end allowances were for different reasons. For example the 5% end allowance for Unit 2 Ivatt Way was because of restricted access and the 5% for Claims Assist UK was for a shared site not a split one.

31. For these reasons, she felt that the 5% end allowance for the appeal property was correct.

32. The VO's representative stated that she was referring to a piece of relevant case law in support of her statement that comparison between lists was paramount, however, she had not presented this to the panel or the appellant.

Decision

33. The panel found that the comparable properties submitted by the appellant's representative in the current 2017 list were mostly around the 60/70m^2 in area, less than 1% the size of the

appeal property, and therefore not comparable but also that there was no clear explanation of how the award of those end allowances related to the appeal property.

34. The panel found that whilst there may have been a change in the predominance of property sizes between the lists this was not relevant to any increase or otherwise of an end allowance for a split site for the appeal property.

35. In terms of the VO's representative's view, that the rating list history on the appeal property was the best guide for appropriate allowances, the panel understood that this was standard protocol for valuation by the VO and, indeed, this was why the 10% size allowance was added when the discrepancy was noticed. This also explained why the 5% end allowance was present in the 2017 list.

36. The panel did not refer to or rely on the piece of case law mentioned by the VO's representative in its decision-making.

37. In cases such as this the onus was on the appellant to provide sufficient evidence to support his case that the valuation of the appeal property was unreasonable, however, the panel found that no evidence had been provided in terms of increasing the end allowance for the appeal property being a split site.

38. The appeals were therefore dismissed.

Right of further appeal

39. 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.

40. 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/.

Ms C Edwards, Senior Member (Presiding)
Dr S Penni, Senior Member

Mr D Adamson
Clerk to the Tribunal
Date issued to the parties: 2 June 2025

ADDENDUM

Following the release of the panel's decision, the tribunal received a review application from the Appellant's representative. The review application was made, in respect of the panel's decision in relation to appeal number CHG101146661. The review application was granted and the panel's decision in relation to CHG101146661 was revoked and set aside by the President. This was because, there was an existing entry of £950,000 RV with effect from 30 September 2017 which the panel did not address. The panel understood that this entry had been removed and that the Valuation Officer's revised compiled list entry of £945,000 RV with effect from 1 April 2017 was the only live entry in the list. This is why when the panel determined that this valuation was not unreasonable, it dismissed both appeals. However, in doing so, there remained an erroneous entry in the 2017 Rating List.

Revised decision notice with Addendum issued to the parties: 17 July 2025