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

Case No: CHG101166449

Sitting remotely using Microsoft Teams

Date: 12 January 2026

SCHEDULE 11 TO THE LOCAL GOVERNMENT FINANCE ACT 1988

Non-Domestic Rating Appeal; 2017 Rating List Appeal; Office and premises; is an area within the hereditament classed as usable space; end allowance for layout; appeal allowed in part.

Before:
MISS N CLARKE
MR C COX

Between:

SCANIA (B) LTD **Appellant**

- and -

ANDREW MOULAND (VALUATION OFFICER) **Respondent**

Regarding:
SCANIA GB LTD, DELAWARE DRIVE, MILTON KEYNES MK15 8HB
(the "subject property")

Mr B Dickman from Fletcher King for the Appellant
Mrs P Rowntree for the Respondent

Hearing date: 15 December 2025

DECISION AND STATEMENT OF REASONS

DECISION

1. The appeal was allowed in part.

2. The Tribunal panel found that part of the space with regards to each of the floors considered by the Valuation Officer (VO) to be usable space, was unusable space and therefore, 50% of the space on the ground, first and second floors were removed from the assessment of the subject property. This resulted in a reduction in the Rateable Value (RV) to £730,000 with effect from 1 January 2019.

STATEMENT OF REASONS

Introduction

3. The appeal had been brought in respect of the following: Scania Gb Ltd, Delaware Drive, Milton Keynes MK15 8HB (hereafter, known as the subject property) had been entered into the 2017 Rating List as 'Offices and premises' at an RV of £835,000 with effect from 1 January 2019. However, the RV was subsequently reduced to £825,000 with effect from 1 January 2019.

4. The Appellant was seeking an RV of £700,000 based on a reduction in the area within the first and second floors, as well as space on the ground floor with regards to access.

5. Both Mr Dickman for the Appellant and Mrs Rowntree for the Respondent, presented in a dual role capacity 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 Dickman confirmed that he was not instructed in a contingency fee.

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

<u>Background</u>

7. The subject property comprised a large office building arranged over three floors, with access to each floor provided by a lift. The property was located in Milton Keynes on an industrial estate in Tongwell, just off the M1. It was solely occupied by the Appellant. The property has a total Net Internal Area (NIA) of 5,388.80 m² and was constructed in 2018. The adopted main space rate of £150 per m² was not in dispute.

8. Mr Dickman submitted a plan prepared by Plowman Craven, identifying areas he contended were used for circulation and therefore should be excluded from the total NIA. Initially, the VO agreed to remove these areas from the assessment and issued an agreement form reducing the RV to £730,000. However, upon further review, the VO determined that these areas should not be excluded and withdrew the offer for the following reason:

    (a) During the initial inspection of the property by the VO, these areas were considered usable space, as they contained furniture.

Relevant Law

9. Schedule 6 to the Local Government Finance Act 1988 as amended by the Rating (Valuation) Act 1999 provided the statutory definition of rateable value which was as follows:

> 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.

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

11. 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).

12. The actual date of valuation is 1 April 2015, this being the AVD. As also noted above matters that affect the physical state or enjoyment of the hereditament or the locality were to be taken as at 1 January 2019, the material day for this appeal. When assessing the RV of any hereditament, rating law also requires that it must be assumed to be 'vacant and to let', and in the state set out in paragraph 2(7) of Schedule 6 to the Act, in relation to both its physical nature and mode or category of use.

Discussion

13. The panel first considered the areas in dispute that was located on each of the floors of the subject property's building. The panel first considered the area in dispute situated on the ground floor.

14. The panel referred to the RICS Code of Measuring Practice concerning NIA details. In particular the following:

    3.0 Net Internal Area (NIA)

    Net Internal Area is the usable area within a building measured to the internal face of the perimeter walls at each floor level.

    Excluding:

3.15(b) Permanent circulation areas, corridors and thresholds / recesses associated with access, but not those parts that are usable areas.

15. The panel noted that a brochure provided, which depicted the new building, included an image of the first and second-floor breakout areas furnished with seating. Mr Dickman argued that the image may have been computer-generated for marketing purposes and did not accurately reflect the actual layout. He stated that the breakout area was not used by the Appellant, other than for placing some plants, and served no other function.

16. Mr Dickman further contended that the space could not be used due to restrictions imposed by the property's planning permission. Mrs Rowntree considered that the evidence presented did not substantiate this claim. Mr Dickman confirmed that no furniture was currently in the space and explained that, at the time of the VO's inspection, furniture had only been temporarily stored there during the Appellant's move into the property.

17. Mrs Rowntree concluded that the breakout area was capable of being used by the Appellant and should therefore be included in the assessment of the subject property.

18. The panel concluded that although the Appellant did not currently use the breakout areas on the first and second floors, this did not mean those areas were incapable of being used. Mrs Rowntree referred to Point 3.15(b), which permitted circulation space to be excluded where it is not usable. In her view, all disputed areas were usable within this owner-occupied property, as the building was occupied by a single user. Consequently, she was not prepared to remove the areas identified by Mr Dickman. The panel also noted Mrs Rowntree's statement that the corridor areas adjacent to the offices on the first and second floors were included in the measurements for the subject property's assessment. However, she confirmed that the corridor space on the ground floor, as well as the stair areas, had not been included in the assessment.

19. Upon reviewing Point 3.15(b), the panel observed that it did not stipulate that the exclusion applied only to properties with multiple occupiers. The panel therefore determined that corridor space should not be considered usable. Referring to the plan prepared by Plowman Craven, the panel determined that approximately 50% of the area Mr Dickman sought to exclude from the first and second floors could reasonably be classified as corridor space. Accordingly, the panel agreed to remove that area from the assessment. The remaining space, however, was considered usable, as it was capable of being occupied by the Appellant, regardless of whether the Appellant chose to use it.

20. In addition, the panel agreed to exclude 50% of the ground floor access area, as this was considered an access space under Point 3.15(b) and therefore should not be included in the measurements.

Conclusion

21. In view of the above findings and conclusions, the Tribunal found that the appeal should be allowed in part to reflect its judgment.

22. The Tribunal noted that Mrs Rowntree had not provided a breakdown of the assessment for the subject property. Therefore, the panel used the valuation provided by Mr Dickman to determine the correct valuation for the subject property, shown as follows:

Floor	Description	Area m²	Excluded area m²	Usable area m²	£ per m²	Value
Office building						
Ground	Reception / Entrance	197.50	98.75	98.75	£150.00	£14,813
Ground	Store	11.50		11.50	£105.00	£1,208
Ground	Office	1,470.30		1,470.30	£150.00	£220,545
First	Office	1,432.30		1,432.30	£150.00	£214,845
First	Circulation	203.50	101.75	101.75	£150.00	£15,263
First	Store	14.60		14.60	£105.00	£1,533
Second	Office	1,439.90		1,439.90	£150.00	£215,985
Second	Circulation	201.20	100.60	100.60	£150.00	£15,090
Facilities building						
Ground	Store	239.20		239.20	£75.00	£17,940
Ground	Office	83.10		83.10	£100.00	£8,310
Mezzanine	Store	95.70		95.70	£50.00	£4,785
Total floor area (m²)		5,388.80			Total	£730.316
					Say RV	£730.000

23. 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 subject property to £730,000 RV with effect from 1 January 2019. The Valuation Officer must comply with this Order within 2 weeks of its making.

Refund of appeal fee

24. 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)

Right of further appeal

25. 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.

26. 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/.

Miss N Clarke, Senior Member (Chair)
Mr C Cox, Member

12 January 2026

Ms R Muller
Clerk to the Tribunal
Date issued to the parties: 12 January 2026