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

Case No: CHG101167867

Sitting remotely using Microsoft Teams

Date: 7 July 2025

SCHEDULE 11 TO THE LOCAL GOVERNMENT FINANCE ACT 1988

RATING — Local Government Finance Act 1988 — Lotus & Delta Ltd v Culverwell (VO) and Leicester City Council [1976] RA 141- tone of the rating list – office and premises

Before:
MISS A M PRICE
MRS F E R DUGGAN

Between:

FOWLER DE PLEDGE SOLICITORS **Appellant**

- and -

KAREN GILES
(VALUATION OFFICER) **Respondent**

Regarding:
23 GREENSIDE, WATERBEACH, CAMBRIDGE CB25 9HW
(the "subject property")

Mr W Stevens of Bird and Howes LLP, representing the Appellant.
Mr L Stevens, for the Respondent

Hearing date: 9 June 2025

DECISION AND STATEMENT OF REASONS

Decision

1. The appeal is allowed.

2. The Tribunal finds that the current entry in the 2023 rating list is unreasonable and should be reduced to £14,000 with effect from 1 April 2023.

Introduction

3. The appellant made a proposal on 22 December 2023 to challenge the entry in the 2023 Rating List of £16,750 with effect from 1 April 2023. The proposal sought a reduction to £14,000. The Valuation Officer (VO) did not find the proposal to be well founded, and a Challenge decision was issued on 16 September 2024 confirming the existing entry in the list. An appeal against that decision was received by the Tribunal on 13 January 2025.

4. Mr L Stevens stated that he was appearing as both Advocate and Expert Witness for the respondent, providing his statement of truth prior to the hearing. He confirmed at the hearing that he had not prepared the VO's case himself but was presenting evidence prepared by a colleague.

5. In view of the Upper Tribunal's judgment in *Gardiner & Theobold LLP v Jackson (VO)* [2018] UKUT 0253 (LC), Mr W Stevens declared that he was also appearing for the appellant in a dual role as Advocate and Expert Witness. He confirmed that his firm was instructed under a conditional or other success-based fee arrangement, but he understood his duty was to the Tribunal, regardless of whether the evidence supported his client's case.

6. The panel accepted this expert witness evidence 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 Valuation Tribunal for England (Council Tax and Rating Appeals) (Procedure) Regulations 2009 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). It was therefore appropriate for the panel hearing the evidence to consider the 'expert' evidence and assess what weight, if any, to give it in the context of the matters in issue before it.

7. The subject hereditament is an office situated on the ground floor of a 19^{th} century building which also accommodates three dwellings. The existing valuation in the rating list of £16,750 is based on £160/m^2. The appellant's representative sought a reduction to £14,000, based on £135/m^2. The parties had agreed the facts of the subject property at Check stage and the total area was recorded at 105.6m^2.

8. The issue to be determined by the Tribunal was the correct valuation in the 2023 rating list. The material day was 1 April 2023, as this was a challenge to the compiled list entry. The property must be considered with regard to values on the antecedent valuation date (AVD) of 1 April 2021.

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

Relevant Law

10. The subject property must be valued by the statutory assumptions set out in in Schedule 6 to the Local Government Finance Act 1988 as follows:

"(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."

11. The panel had regard to the Lands Tribunal judgment of *Lotus & Delta Ltd v Culverwell (VO) and Leicester City Council* [1976] RA 141, mentioned in the appellant's submissions, which provided guidance on the weight to be attached to different forms of evidence.

Discussion

12. In accordance with *Lotus & Delta*, the panel found that the starting point must be any rent passing on the subject property. The subject property was let from 1 August 2020 for a term of five years at an initial rent of £14,000 per annum. The agreement was for a stepped rent, with an increase to £16,500 per annum from 1 February 2023. Mr W Stevens submitted that there was no rent-free period, and the lease is on full repairing and insuring terms (FRI). He had analysed the rent, to the break clause on 1 February 2023, at £133.49/m^2 and therefore contended the property should be valued at £135/m^2 and sought a revised rateable value of £14,000.

13. Mr L Stevens highlighted that the rent is stepped and was agreed some time before the AVD. He submitted that there was no evidence of whether there was rental growth at that time in the locality. It was also highlighted that the lease excluded provisions within the Landlord and Tenant Act 1954, which the VO considered lowered the weight of the rent as evidence. He referred the panel to other examples within the same scheme, which he accepted was broad, and asked the panel to confirm the existing valuation based on £160/m^2, which he considered was reasonable.

14. The panel found the rent on the subject property was useful as it was agreed less than a year before the AVD and required little adjustment to meet the statutory definition of rateable value. It found that, as there was a break clause with no penalty, the landlord was not guaranteed the rent beyond that point and therefore it was reasonable to analyse the rent to the date of the tenant's right to break the contract, as confirmed in *Bunyan v Acenden Limited* [2023] UKUT 17 (LC) cited by the appellant's representative. However, it noted Mr L Stevens' point that the terms of the lease were outside the Landlord and Tenant Act and therefore turned to consider the comparable properties and rents referred to by the parties.

15. The appellant's evidence contained reference to Unit 9 The Maltings, Millfield, Cottenham, Cambridge CB24 8RE. This property is larger than the subject property, at 111.7m^2 and its rent analysed to £94/m^2. The rent for this property was agreed on 2 April 2021 at £10,500 per annum. Mr W Stevens considered this property comparable to the subject hereditament as it is a similar size, age, and its location is a comparable distance from Cambridge. Mr L Stevens stated the VO did not consider this example to be comparable to the subject property because it was considered poorer quality space and was located in a more industrial area.

16. Although the rent on Unit 9 The Maltings was agreed very close to the AVD, the panel noted it was located around four miles from the subject property and was valued in a different scheme. Mr W Stevens highlighted that the subject property was valued under scheme 591408, which contained 777 individual hereditaments, and all had been valued at the same rate of £160/m^2. It was questioned how so many properties could be valued the same, regardless of size, age, or construction, and pointed out that some of the assessments in South Cambridgeshire would be in excess of ten miles from the subject property. The panel concluded that the scheme was broad, and this meant that rental evidence on the subject property and comparable hereditaments provided a greater insight into value than simply reliance on the scheme.

17. The VO presented details on three other office assessments which were felt to support the subject property's existing valuation. QMP Management & Design, 14 High Street, Histon, Cambridgeshire CB24 9JD had a rent agreed on 6 April 2020 for £13,000 on FRI terms for three years. The VO analysed this rent to £144.61/m^2 and its entry in the rating list was valued on £160/m^2, the same as the subject property. The panel noted this rent was agreed further from the AVD than the subject property and it was in a different locality, in Histon.

18. Wyndmere House, Ashwell Road, Steeple Morden, Royston, Hertfordshire SG8 0NZ was presented as a rent agreed on 1 January 2021 at £15,500, analysing to £185.85/m^2, and valued at £160/m^2. The panel decided that this rent carried less weight as it was a renewal, rather than a new letting, and being situated in a different county to the subject property, it was not comparable in location.

19. The VO's third example, 1st Floor, 3 Greenside, Waterbeach was in the same locality as the subject property and subject to a rent of £12,600 from 1 June 2022. The panel noted this was also a renewal, not a new lease, and required some adjustments to reflect the insuring and repair responsibilities.

20. After considering the VO's examples, the panel did not find them particularly comparable to the subject property. Two were situated in different localities and two were rent renewals, rather than new lettings. All three were significantly smaller than the subject property, measuring 89.90m^2, 83.89m^2, and 64.60m^2, respectively. The panel noted the parties agreed there was a lack of AVD rents available in the area and Mr L Stevens conceded that the broad-brush approach in this scheme did appear to oversimplify the market. However, he contended that adjustments would be made to individual valuations to reflect variations or disabilities.

21. Considering the evidence available, the panel did not find the VO's examples to be especially helpful in valuing the subject property. It also considered that Unit 9 The Maltings was a different locality, and its rent would reflect that property and its surroundings. The closest comparable property geographically was 1st Floor, 3 Greenside but the panel noted this was the smallest of the offices cited by the parties and its valuation placed it below the threshold

for Small Business Rates Relief. If eligible, this may affect the ratepayer's motivation to challenge the valuation as there would be no rates to pay. Due to its much smaller size, and the fact that the rent was a renewal for the ratepayer in occupation since 2017, the panel placed less weight on this example.

22. The panel found that the most weight should be placed on the subject property's rent. It accepted the VO's comments about the rent being stepped and outside the Landlord and Tenant Act but found that this would be reflected in the rent agreed. The appellant would be aware of the impact on security of tenure and renewal rights when negotiating the rent and had a penalty free break option. The VO provided analysis of the subject property's rent, both to the break clause (£134.51/m^2) and to the end of the term (£144.43/m^2). The panel noted that both figures were lower than the £160/m^2 applied to the existing valuation. It decided that, on balance, the existing entry in the rating list was unreasonable when having regard to the rent agreed less than a year before the AVD.

Determination

23. In view of the above findings and conclusions, the Tribunal is satisfied that the valuation is unreasonable and the unit price should be reduced to £135/m^2 as sought by the appellant.

24. 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 amend the entry for 23 Greenside, Waterbeach, Cambridge CB25 9HW in the 2023 Rating List to £14,000 effective from 1 April 2023.

Floor	Description	Area (m^2)	Factor	Adjusted Area (m^2)	Adjusted Price (per m^2)	RV (£)
Ground	Office	98.30	1.000	98.30	135.00	13,270.50
Ground	Kitchen	4.90	1.000	4.90	135.00	661.50
Ground	Internal Storage	2.40	0.700	1.68	94.50	226.80
			Total	104.88		14,158.80
					Total	14,158.80
					Say	14,000.00

25. The Valuation Officer must comply with this Order within two weeks of its making.

Right of further appeal

26. 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.

27. 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 A M Price, Senior Member (Presiding)

Mrs F E R Duggan, Member

7 July 2025

Mrs A Sloan
Clerk to the Tribunal
Date issued to the parties: 7 July 2025