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

Case No: CHG101174399

Sitting remotely using Microsoft Teams

Date: 31 December 2025

SCHEDULE 11 TO THE LOCAL GOVERNMENT FINANCE ACT 1988

RATING — Local Government Finance Act 1988 — Unadjusted base rate — End allowance — Asbestos — Appeal allowed in part

Before:
MR J THOMAS
MR K EVERETTMR P PATEL

Between:

SCOTT TIMBER LTD
(REPRESENTED BY WILLIAMS YOUNG MCKAIG LTD) **Appellant**

- and -

AMANDA HITCHINGS
(VALUATION OFFICER) **Respondent**

Regarding:
NORTHERN CASE SUPPLIES LTD, CROMWELL ROAD, ELLESMERE PORT, CH65 4AA
(the “subject property”)

Mr J Thompson for the Appellant
Mr A Glover for the Respondent

Hearing date: 5 December 2025

DECISION AND STATEMENT OF REASONS

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DECISION

1. The appeal is allowed-in-part.

2. The Tribunal Panel determined a rateable value (RV) of £133,000 with effect from 1 April 2017, based upon an end allowance of 5% for access and an end allowance of 2.5% for asbestos management.

STATEMENT OF REASONS

Introduction

3. This was a 2017 rating list appeal. The subject property had been entered in the 2017 rating list as “Factory and Premises” at an RV of £144,000 with effect from 1 April 2017. This was based on an unadjusted base rate of £20 per square meter (PSM).

4. The challenge proposal was submitted by Williams Young McKaig Ltd on behalf of Scott Timber Limited and was received by the Valuation Officer (VO) on 17 January 2024. It had been made on the grounds that the RV shown in the 2017 rating list was wrong and proposed a revised RV of £106,000 based on an unadjusted base rate of £18 psm, a 10% end allowance for access and a 5% end allowance for asbestos management.

5. During the challenge stage, the VO agreed that the gatehouse should be valued at the unadjusted base rate. This amendment reduced the RV to £143,000 and a challenge decision notice was issued to this effect.

6. Mr Thompson 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 Thompson declared that he was not instructed under a conditional fee arrangement.

7. Mr Thompson 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.

8. Mr Glover was appearing as advocate and expert witness. He was not instructed on a conditional fee basis.

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

<u>Background</u>

10. The subject property comprised a large workshop, office block and gatehouse that was located at the end of residential street with no through access in Ellesmere Port. The total area was 7,068.40m^2 and it was built between 1965 and 1970.

Relevant Law

The Local Government Finance Act 1988

11. 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.

12. 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.

13. 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 2017.

Discussion

14. The panel heard that there were four issues in contention:
    1. The unadjusted base rate
    2. An end allowance for access
    3. Relativity to be applied to void office space
    4. An end allowance for asbestos management

These will be addressed individually in this decision notice.

The unadjusted base rate

15. Mr Thompson contended that as the 2017 list was closed more weight should be given to assessment evidence, rather than rental evidence, as a tone had now been established. He referred to a list of eleven assessments that were in Ellesmere Port and had unadjusted base rates between £12 psm and £17.42 psm. They were described as warehouses and factories, and one store and one garage. They measured between 301.30m^2 and 28,094.10m^2. The panel noted that the closest in size to the subject property was 4,985.19m^2.

16. Mr Glover had submitted rental evidence for the subject property and two other properties. The subject property was a new letting on a ten-year lease with five-year rent reviews. The passing

rent was £150,000 per annum effective from 29 November 2017 which Mr Glover analysed to £21 psm. Both parties stated that this was a rent between connected parties.

17. Harris Tiles GB Ltd was a warehouse and premises that was refurbished in 2000 and measured 2,201.57m^2. It had a passing rent of £57,600 effective from 1 January 2014 which was an open-ended lease renewal. Mr Glover analysed this rent to £26 psm, and it was in the rating list with an unadjusted base rate of £24 psm.

18. Recresco Ltd was a workshop and premises that was refurbished in 1980 and measured 11,759.32m^2. It had a passing rent of £230,000 effective from 1 October 2013 which was an open-ended lease renewal with yearly rent reviews. Mr Glover had adjusted the rent to £196,450 due to a sublet of one third of the shed number 1, he then analysed this to £17 psm, and it was in the rating list with an unadjusted base rate of £15 psm.

19. The panel reviewed all of the evidence before it and accepted Mr Thompson's contention that at this point in the rating list a tone of the list had been established overall. However, it was of the opinion that the established tone would hold more weight where there were previous decisions of this Tribunal, or of higher courts, or where settlements had been reached between parties. This did not exclude evidence where no challenges had been made, but it was for the panel to weigh the evidence accordingly.

20. Whilst the list of comparable properties provided by Mr Thompson demonstrated the unadjusted base rates in the 2017 rating list, and one in the 2023 rating list, the panel found the evidence lacked information. There was no detail of the age of the properties or if they had been refurbished, or details of how closely they compared to the subject property.

21. When looking at the rental evidence, the panel could not attribute significant weight to it due to the connected nature of the subject rent, and the proximity from the AVD on all of the rents. However, the panel did consider these as assessment comparables based on their values in the 2017 rating list. Mr Thompson had argued that Harris Tiles GB Ltd was a superior property to the subject property due to its location on an established industrial estate and its more modern refurbishment. The panel agree with Mr Thompson's assessment but note it is in the rating list at a higher unadjusted base rate than the subject property.

22. Mr Thompson contended that Recresco Ltd was in a better location and larger than the subject property and Mr Glover had analysed the rent at £17 psm which supported his proposed valuation of the subject property at £18 psm.

23. When considering all of the evidence before it, the panel found that Mr Thompson had not persuaded it that £20 psm was unreasonable. Additionally, the panel found that the subject property did fall between Harris Tiles GB ltd and Recresco Ltd in terms of quality based on the refurbishment dates, and the sizes of the properties, and both comparables were located within three miles of the subject property.

24. Based on this, the panel found that £20 psm was not unreasonable for the subject property, and this part of the appeal was dismissed.

<u>End allowance for access</u>

25. The panel heard from Mr Thompson that the subject property was located on a dead-end residential street which made access difficult. He stated it was also subject to noise restrictions because of the residential area. For the access issues, he sought a 10% end allowance.

26. Mr Glover stated that at the material day the housing development directly adjacent to the subject property was not there. There were houses to the south of Cromwell Road. The panel took this into account.

27. It was the panel's opinion that the location of the subject property would incur access issues. The width of the residential street had not increased with a new housing development, and so whilst there were less houses at the material day, the street was still residential and built as such. In addition, the subject property was located at the end of the street with the only access available down the length of Cromwell Road.

28. Considering the access at the material day, with less housing in situ, the panel found that an end allowance of 5% was warranted.

29. Therefore, this part of the appeal was allowed in part.

<u>Void office space</u>

30. The panel heard from Mr Thompson that one room in the office block was not used due to asbestos. He stated that it was not capable of beneficial occupation and that the heating and utility services had been disconnected to this area. The are was a $184.04m^2$ space on the ground floor of the office accommodation.

31. Mr Thompson sought a reduction to £0 for this area and stated that it was not economic to repair. Through questioning he stated the previous landlord and occupier did not find it economical to repair as they did not need the additional office space. He contended that the removal of asbestos was not repair and that it was an alteration to the property.

32. The panel placed the most weight on the expert survey report that had been provided by Mr Thompson. The panel noted that in multiple parts of the report, it stated that the asbestos was a repair. It may have stated this particular area was in poor condition, however the evidence before the panel was that it was repairable. No evidence had been put before the panel to demonstrate that the repairs would be uneconomical, the only evidence the panel heard was verbal and was on the basis the previous landlord and occupier found them to be uneconomical for their individual situation.

33. As there was no evidence to demonstrate the repairs were uneconomical, and the panel found the asbestos removal was a repair, the assumptions of valuation kicked in, and the area had to be considered as in a reasonable state of repair. Therefore, this part of the appeal was dismissed.

<u>End allowance for asbestos management</u>

34. Mr Thompson provided a list of properties nationwide that had allowances granted for some form of asbestos problem or management. The allowances ranged from 2% to 99.99% and Mr Thompson was seeking an allowance of 5%. The panel accepted Mr Thompson's contention that asbestos was not location dependent, however the allowances provided were for a wide range of reasons and could not be attributed solely to the ongoing management of asbestos.

35. The panel referred back to the expert survey report on the asbestos on the site. Asbestos was located in the office block and not in the workshop areas, also confirmed by Mr Thompson who stated the largest value on the site was the workshop.

36. Through questioning Mr Thompson stated the best comparable was Flexitallic where an allowance of 15% had been granted for ‘asbestos management costs’. Mr Thompson said this was a high-end allowance and could be for permanent ongoing maintenance and that the maintenance costs for the subject property were £1,000-2,000 per year.

37. Based on the survey report, the panel found there were ongoing maintenance costs for asbestos at the subject property. However, the figure mentioned by Mr Thompson of £1,000 to £2,000 did not equate with the 5% reduction he was requesting. For this reason, the panel found that an appropriate end allowance for asbestos management was 2.5%. Therefore, this part of the appeal was allowed in part.

Conclusion

38. In view of the above findings and conclusions, The Tribunal Panel determined a rateable value (RV) of £133,000 with effect from 1 April 2017, based upon an end allowance of 5% for access and an end allowance of 2.5% for asbestos management. Therefore the appeal was allowed in part.

Floor	**Description**	**Area (m^2)**	**£/m^2**	**Value (£)**
Ground	Production Area	1524.00	20.00	30,480
Ground	Office	30.00	22.00	660
Ground	Production Area	1249.60	20.00	24,992
Ground	Workshop	1885.80	20.00	37,716
Ground	Workshop	1685.50	20.00	33,710
Ground	Office	204.09	24.00	4,898
Ground	Canteen	93.87	22.00	2,065
Ground	Reception/Entrance	18.92	24.00	454
Ground	Internal Storage	17.22	20.00	344
First	Office	334.10	24.00	8,018
Ground	Gatehouse	25.30	20.00	506
			Sub-total	**143,843**
	End allowance for access		-5%	7,192
	End allowance for asbestos management		-2.5%	3,596
			Total	**133,055**

39. 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 2017 list in respect of 39-45 Peel Avenue, The Trafford Centre, Manchester, M17 8BN within two weeks.

Right of further appeal

40. 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.

41. 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 J Thomas, Senior Member (Chair)
Mr K Everett, Senior Member
Mr P Patel, Senior Member
31 December 2025

Mrs S Hodgson
Clerk to the Tribunal
Date issued to the parties: 31 December 2025