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

Case No: CHG101178662

Sitting remotely using
Microsoft Teams

Date: 28 October 2025

SCHEDULE 11 TO THE LOCAL GOVERNMENT FINANCE ACT 1988

Non-domestic rating; 2017 Rating List appeal; college of further education and premises; valuation method in dispute; mode and category of occupation; Scottish & Newcastle Retail Limited & Allied Domecq Retailing Limited v R F Williams (VO); appeal allowed.

Before:
MR WJ READ
MR S MULDOON

Between:

SEVERN TRENT WATER LIMITED **Appellant**

- and -

LUCY FORMELA-OSBOURNE
(VALUATION OFFICER) **Respondent**

Regarding:
SEVERN TRENT ACADEMY, ST MARTINS ROAD, STONELEIGH CV3 6RJ
(the “subject property”)

Mr M Clapham from Lambert Smith Hampton (as advocate and expert witness)
Mrs S Harris (witness for the appellant)
Mr P Grundy (as advocate and expert witness on behalf of the respondent)
Hearing date: 3 October 2025

DECISION AND STATEMENT OF REASONS

Decision

1. The appeal is allowed.

2. The panel determined a revised rateable value (RV) of £113,000 with effect from 11 May 2021.

Introduction

3. This is a 2017 rating list appeal for Severn Trent Academy, St Martins Road, Stoneleigh CV3 6RJ (the subject property) which was entered in the 2017 rating list as 'office and premises' at an RV of £205,000 with effect from 11 May 2021. The challenge proposal was submitted on 30 January 2024. The challenge sought a revised assessment of £113,000 RV with effect from 11 May 2021. The Valuation Officer (VO) determined that it was not well founded and issued a challenge case decision notice on 31 January 2025 which stated that based upon the evidence and information available, the rating list entry of £205,000 RV was reasonable.

4. In accordance with regulation 13A of the Non-Domestic Rating (Alteration of Lists and Appeals) (England) Regulations 2009, this appeal was received by the Tribunal on 13 May 2025.

5. Mr Clapham appeared on behalf of the appellant as both advocate and expert witness. Therefore, it was important to ascertain if there was a success related fee involved and if so whether its existence was compatible with his obligations to the tribunal as an expert. This question was raised in view of the Upper Tribunal's judgment in *Gardiner & Theobald LLP v David Jackson (VO)* [2018] UKUT 0253 (LC). Mr Clapham confirmed that he was not instructed under a contingency fee and 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 his client's case.

6. 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).

7. The panel therefore considered the expert evidence and attached such weight to it as it saw fit.

8. The subject property consisted of a purpose built college of further education solely dedicated to learning. It includes classrooms, an auditorium, workshops, training areas a training river, an operational rig and a mock customer house. It has a gross internal area of 2,073.87m^2 which was agreed between the parties prior to the hearing.

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

Relevant Law

10. The panel is governed by Schedule 6 to the Local Government Finance Act 1988 as amended by the Rating (Valuation) Act 1999, which 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.

11. 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, in accordance with the Rating Lists (Valuation Date) (England) Order 2014 (SI 2014 No. 2841).

12. 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 11 May 2021, being the date the subject property entered the rating list.

Discussion

13. The panel was aware that it must consider the subject property 'vacant and to let' and what the mode or category of occupation was at the material date. The issue of valuing a property *rebus sic stantibus* was considered by the Court of Appeal in the judgment of *Scottish & Newcastle Retail Limited & Allied Domecq Retailing Limited v R F Williams (VO)*. In the *Scottish & Newcastle* case there were two public houses in a shopping centre in Milton Keynes. The Court of Appeal found that the subject premises must be valued *rebus sic stantibus* in connection with the actual mode or category of occupation. It was held that the works required to strip the subject premises back to a shell in order for them to be let as retail units were not minor works. The hypothetical tenant would not consider this major work when determining a rental bid for the subject property. The Court of Appeal held that the two public houses were not in the same mode or category of occupation as the shops and restaurants the VO relied upon and the premises were therefore to be valued as public houses and premises.

14. The panel noted that this subject property was a purpose built education assessment in accordance with the meaning in section 41 of the Education Act 1944 which had never been used as an office. It contained workshops, a full size training rig with a thrust bore and a mock customer house with all the waterpipes. A training river with pollution and cleansing

equipment. The panel noted that in order to create an office space these elements would need to be removed and that would involve making major structural changes to the subject property. The subject property also had planning classification for F1 and this would also need to be changed if it were to be used as an office. Class F1 is for use as a property for the provision of non-residential education and as such the academy was subject to inspection and reports from OFSTED.

15. The panel took into account the evidence given by Mrs Harris who was the head of the Academy. The panel noted that she stated that she had been involved with the development of the academy and the running of it. She stated that the Academy received funding from the Education and Skills Funding Agency (ESFA) for the apprenticeships and are subject to Health and Safety as an education establishment. The Academy offers technical and professional courses as well as apprenticeships and taught English and maths up to GCSE standard. The main purpose of the Academy was to train people entering the water industry. The panel considered the photographs of the Academy which demonstrated that the property included both practical training in the form of a training rig and a mock customer house which could be used in training the students on how to deal with a burst pipe from the point of view of the water source as well as from the customers house. The panel also noted that the training river which formed part of the assessment was used to teach about pollution and how to maintain a clean body of water.

16. The panel then turned to the submissions made by the VO that the finish on the subject property was similar to that of an office as it had suspended ceilings and double glazing. In Mr Grundy's opinion the subject property was an office vacant and to let in accordance with the case of *Scottish & Newcastle.* He referred the panel to the fact that in that case it was established that planning permission was not the deciding factor on what the mode and category of occupation was and the panel took this into consideration. The panel found that there were large areas of the subject property which did not have the finish of an office including the workshops, training rig and mock customer house as well as the training river and so found that there would be a large amount of structural work to change the subject property into an office which did not accord with the *rebus sic stantibus* rule.

17. The panel was aware that there were two limbs to consider in the *rebus sic stantibus* rule. The first limb was what was the physical state of the subject property 'vacant and to let' at the material date. The only alterations permitted were minor alterations of a non-structural nature. However, in this case the panel found that all of the elements outlined above would need to be removed or have major work carried out on them should the subject property be made into offices. These were major features of the assessment and therefore required major structural changes to be made before the subject property could be used as an office.

18. The panel noted that the building survey concluded that the training room did not contain air conditioning, false floors, floor trunking and double glazed plastic coated metal frame windows which would be usual to find in an office. Another of the training rooms had plastic lined walls which an office would not have. The panel noted that in the photographs provided the subject property had large areas which were unsuitable without major work to be used as an office. The panel found that the description of an education establishment in the Rating Manual included Police Training Colleges. These like the subject property specialised in the training of people who wished to work in a specific industry being either the police or the water industry respectively . They would no doubt also include some elements of training rooms which could be potentially used as offices but were included in the description of 'college of further education and premises'. The panel further asked if The Fire Service College which is near to

the subject property was listed as a college but Mr Grundy was unable to confirm whether it was or not. The panel put weight on this evidence.

19. The second limb of the *rebus sic stantibus* rule is that a subject property has to be considered assuming the same mode and category of occupation as on the material day. Any change of use outside that mode or category should be ignored. The panel concluded that at the material day the subject property was an education premises. When formulating a rental bid a hypothetical tenant would not consider using the subject premises as an office but as an college of further education. The panel therefore found that the mode or category of the subject property was 'college of further education and premises'.

20. The panel was aware that in the VOA manual when establishing an RV for a college of further education the correct method of valuation was either a rental comparison or the contractors method. The panel was aware that the Ratepayer Discussions in connection with Colleges of Further Education as part of the Group Challenge Review (GRCR) 354443523 agreed that the assessments should be calculated using the contractors method. In the case of the subject property the panel was aware that as a technical training centre it would not be commonly let. Mr Clapham therefore submitted that the correct method for determining the RV for the subject property was to use the contractor method.

21. The panel therefore looked to any comparable educational properties in the vicinity for tone but noted that neither party had put any comparable properties into evidence. In fact the VO confirmed that if the subject property was found to be an educational establishment then the contractors method would be the correct one to establish the RV of the subject property. The VO did however submit that if the contractors method was to be used that the standard full decapitalisation rate should be applied and not the educational decapitalisation rate. The panel noted that the VO gave no explanation as to why he submitted that the standard decapitalised rate should be applied. The panel therefore found that as the subject property was a college the educational decapitalisation rate was the correct one to apply. Mr Clapham explained that he had followed the VO Rating Manual in his calculation of the correct RV for the subject property and he submitted that the correct RV was £113,000.

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22. As the VO did not object to the RV on the subject property being determined using the contractors method and Mr Grundy had not challenged any part of the RV calculation put into evidence by the appellant the panel adopted the RV of £113,000. The RV was calculated as follows:

(1) The main buildings in accordance with Appendix A in the Rating Manual with an adjustment for the flat roof was £1,706/m^2.
(2) The training rig equated to workshop but had a higher height and was not fitted so £1000/m^2 but was reduced due to having a flat roof to £940/m^2
(3) An adjustment for the location in Warwickshire was set down as 0.96, the contract size adjustment was 1.42% and the fees were set at 11%.
(4) The developed land and walkways were set at 7.5%
(5) The undeveloped land was priced at £75,000/hectare
(6) To obtain the rental value the standard decapitalisation rate of 2.6% was applied which equated to £113,143 and so £113,000

Floor	GIA M²	Cost £	ERC £	Location Factor	Location Adj ERC £	External works (EW)	ERC after EW	Fee %	ERC	ARC
GND Main Building	1830.92	1706	3123550	0.96	2998608	0%	2998608	0	2998608	2998608
GND Work shop	242.95	940	228373	0.96	219238	0%	219238	0	219238	219238

Total 2,073.87			3,217,846
External works	13%	402230.70	3,620,076
CSA	-1%	-51405.08	3,568,671
Professional fees	11%	374710.48	3,94,3382
Multi Floor Allowance	0%	0	3,94,3382
Developed Land	7.5%	295753.63	4,239,135
Land (1.5 hectares)	£75,000/hectare	£112,500	4,351,635
Decapitalise		2.60%	113,143
End Allowance	0%	0.00	113,143
		RV	£113,000
		Say	**£113,000**

23. The panel concluded that the appellant's representative had successfully demonstrated that the subject property was a 'college of further education and premises' with the correct RV for the subject property being £113,000. The panel therefore allowed the appeal.

Determination

24. In view of the above findings and conclusions, the Tribunal is satisfied that the subject property was a college of further education and premises'. The panel therefore determined the correct RV for the subject property was £113,000 with effect from 11 May 2021.

Order

25. Under the provisions of regulation 38(4) of The Valuation Tribunal for England (Council Tax and Rating Appeals) (Procedure) Regulations 2009, the Valuation Tribunal for England orders the Valuation Officer to alter the entry in the rating list Severn Trent Academy, St Martins Road, Stoneleigh CV3 6RJ be revised to include the mode and category of 'college of further education and premises' with a rateable value £113,000 with effect from 11 May 2021.

26. Under regulation 38(9), the Valuation Officer must comply with this order within two weeks of the date of its making.

Right of further appeal

27. 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.

28. 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 WJ Read, Senior Member

Mr S Muldoon, Member

28 October 2025

Clerk to the Tribunal
Date issued to the parties: 28 October 2025 (re-issued 28 October 2025)

Amended decision in accordance with Regulation 39 of the Valuation Tribunal for England (Council Tax and Rating Appeals) (Procedure) Regulations 2009 due to a clerical error. Paragraphs 2, 3, 21, 22, 23, 24 and 25 15 is amended to substitute "£113,000" for "£140,000".

Paragraph 22 substitute

Floor	GIA M^2	Cost £	ERC £	Location Factor	Location Adj ERC £	External works (EW)	ERC after EW	Fee %	ERC	ARC
GND Main Building	1830.92	1706	3123550	0.96	2998608	15.0%	3448399	8.50	3741513	3741513
GND Work shop	242.95	940	228373	0.96	219238.1	15.0%	252123.8	8.50	273554	273554

External works	12.5%	501,883.36	4,516,950
CSA	-1.42%	-64,140.69	4,452,810
Professional fees	11%	467,545.00	4,920,355

Multi Floor Allowance	0%	0	4,920,355
Developed Land	7.5%	369,026.59	5,289,381
Land (1.5 hectares)	£75,000/hectare	£112,500	5,401,881
Decapitalise		2.60%	140,449
End Allowance	0%	0.00	140,449
		RV	£140,449
		Say	**£140,000**

For

Floor	GIA M^2	Cost £	ERC £	Location Factor	Location Adj ERC £	External works (EW)	ERC after EW	Fee %	ERC	ARC
GND Main Building	1830.92	1706	3123550	0.96	2998608	0%	2998608	0	2998608	2998608
GND Work shop	242.95	940	228373	0.96	219238	0%	219238	0	219238	219238

Total 2,073.87 3,217,846

External works	13%	402230.70	3,620,076
CSA	-1%	-51405.08	3,568,671
Professional fees	11%	374710.48	3,94,3382
Multi Floor Allowance	0%	0	3,94,3382
Developed Land	7.5%	295753.63	4,239,135
Land (1.5 hectares)	£75,000/hectare	£112,500	4,351,635
Decapitalise		2.60%	113,143
End Allowance	0%	0.00	113,143
		RV	£113,000
		Say	**£113,000**