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

Case No: CHG101184028

Sitting remotely using Microsoft Teams

Date: 23 December 2025

SCHEDULE 11 TO THE LOCAL GOVERNMENT FINANCE ACT 1988

RATING — Local Government Finance Act 1988 — 2023 rating list — office and premises — Lotus & Delta Ltd v Culverwell (VO) And Leicester City Council [1976] RA 141 — tone of value for main space — appeal dismissed.

Before:
MRS N CARMAN
MRS AE FIELDER

Between:

TUTORS AND EXAMS LIMITED — **Appellant**

- and -

KAREN GILES
(VALUATION OFFICER) — **Respondent**

Regarding:
UNIT 1 TEREK HOUSE, SANDPIPER COURT, PHOENIX PARK, EATON SOCON, ST NEOTS PE19 8EP
(the "subject hereditament")

Mr O Plumley of Ryan Property Tax Services UK Limited for the **Appellant**
Ms P Bailey of the Valuation Office Agency for the **Respondent**

Hearing date: 10 December 2025

DECISION AND STATEMENT OF REASONS

DECISION

1. The appeal is dismissed. The panel confirmed the rateable value (RV) of the subject hereditament at £38,250 with effect from 1 April 2023.

STATEMENT OF REASONS

Introduction

2. The appeal process began with a proposal made by the Appellants on 15 February 2024 in respect of the Valuation Officer's (VO) rating list entry of the subject hereditament at £38,250 RV with effect from 1 April 2023. The Appellants proposed a revised assessment of £29,000 RV from that date based on a reduced tone of value for main space from £145 per m^2 to £110 per m^2.

3. The Respondent issued a challenge case decision notice on 20 June 2025 which stated that the existing rating list entry was reasonable. The Appellants appealed that decision to this Tribunal on 17 July 2025, on the grounds that the valuation for the subject hereditament remained unreasonable. Prior to the hearing, Mr Plumley indicated that the Appellants were then seeking a RV of £31,500 with effect from 1 April 2023 based on a revised tone of value for main space of £119 per m^2.

4. The subject hereditament was an office and premises of 271.01m^2, constructed in 2005 and located within Phoenix Park. It benefited from full central heating and air conditioning.

5. Mr Plumley appeared on behalf of the Appellants as both advocate and expert witness. In view of the Upper Tribunal's judgment in *Gardiner & Theobold LLP v David Jackson (VO)* [2018] UKUT 0253 (LC), the representative 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 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.

6. The panel accepted this expert witness on the above basis as the parties agreed the appeal was not complex and to do otherwise would be contrary to regulation 3 (Discharge of Valuation Tribunal for England (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). The panel therefore considered the "expert" evidence and attached such weight to it as it saw fit.

7. The panel was required to determine the correct RV to be attributed to the subject hereditament in the 2023 rating list. The issue in dispute concerned the tone of value for main space.

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

Relevant Law

9. 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 be let from year to year on a number

of assumptions. Those assumptions are listed in paragraph 2(1) of Schedule 6 to the Local Government Finance Act 1988.

10. In accordance with the Rating Lists (Valuation Date) (England) Order 2014 (SI:2014 No.2841), the date of the hypothetical rent was 1 April 2021, the antecedent valuation date (AVD). This common date was used to ensure that every property was treated in a consistent way.

11. Matters that affected the physical state or enjoyment of the property or the locality were to be taken at the material day, as outlined by the Non-Domestic Rating (Material Day for List Alterations) Regulations 1992 (SI 1992 No. 556) as amended. In respect of the subject hereditament, the material day is 1 April 2023.

12. The Lands Tribunal decision of *Lotus & Delta Ltd v Culverwell (VO) and Leicester City Council* [1976] RA 141 is referred to in this decision.

Discussion

13. It is a well-established rating principle that the starting point in the determination of a property's RV should be the rent passing on the subject hereditament itself. The subject hereditament was let on a new lease with effect from 4 December 2020 for a term of ten years with a rent review after three years and a break option after five years. This was a stepped rent of £30,000 per annum rising to £35,000 for the third year, with an initial rent-free period of three months also agreed.

14. Mr Plumley analysed the subject rent to £119.36 per m^2 and argued that it demonstrated that the Respondent's tone of value for main space was excessive. He contended that stepped rents were common practice in new lease negotiations as they allowed landlords to maintain a headline rent and reflect the true market over the term of a lease. Ms Bailey contended that the stepped nature of the letting made it unreliable when determining RV. She argued that there was a £9,000 premium paid by the tenant which was not accounted for in the lease but included in the signed return for the tenant. She also argued that without knowing what the premium was for, which she gave potential examples of as an incentive or for fit-out works, or why the landlord offered a stepped rent, the rent could not be adjusted accurately. Mr Plumley stated that he had excluded fit-out works as part of his rental analysis and argued that if the £9,000 payment was a premium, it would have been included in the lease.

15. The Appellant submitted a comparable assessment with rental evidence which was contended to further support a reduced tone of value for main space in addition to the subject rent itself. Suite 1 Xenus House, Sandpiper Court, Phoenix Park was stated to be a lease let with effect from 1 April 2021 at £19,350 per annum which the Appellant analysed to £140.95 per m^2. Mr Plumley argued that medium weight should be applied to this comparable assessment given it was circa half the size of the subject hereditament at 140.80m^2. Ms Bailey stated that Respondent's records showed the letting was a rent review and the property had been occupied by the tenant since 2017. Mr Plumley stated that the letting agent had stated it was an open market letting and Ms Bailey stated that no form of return had been provided.

16. The Respondent submitted rental evidence for five comparable assessments which were contended to support a tone of value for main space of £145 per m^2 at the subject hereditament. At the hearing, the parties both stated that 3 Fenice Court, Phoenix Park should be disregarded as the letting was an agreement between connected parties. 1st Flr

Suite 3 Terek House, Phoenix Park, was a rent renewal at £22,000 per annum with effect from 1 February 2021. It was 135.49m^2, the rent analysed to £166.54 per m^2 and a tone of value of main space was adopted at £150 per m^2. Rochester Electronics 1st Flr, Phoenix House, Phoenix Park, was a rent renewal at £22,500 per annum with effect from 1 July 2021. It was 182.30m^2, the rent analysed to £122.16 per m^2 and a tone of value of main space was adopted at £145 per m^2. Suite A3, Oakpark Business Centre, was a rent renewal at £34,000 per annum with effect from 1 March 2020. It was 226.60m^2, the rent analysed to £153.89 per m^2 and a tone of value of main space was adopted at £145 per m^2. Suites A1 and A2 Oakpark Business Centre was a rent renewal at £15,500 with effect from 1 April 2021. It was 105.80m^2, its rent analysed to £142.74 and £142.75 per m^2 by the Respondent and Appellant respectively, and a tone of value of main space was adopted at £150 per m^2.

17. Mr Plumley argued that low weight should be attached to 1st Flr Suite 3 Terek House, Phoenix Park as the hereditament was half the size of the subject hereditament and it was a short-term renewal at the same level of the previous rent to the tenant who had been in occupation of the premises since 2010. He also contended that low weight should be attached to Suite A3, Oakpark Business Centre as its letting was agreed over 12 months prior to the AVD. He argued that medium weight should be applied to Suites A1 and A2 Oakpark Business Centre as its letting was close to the AVD, yet the property was smaller than the subject hereditament, and medium weight should also be applied to Rochester Electronics 1st Flr, Phoenix House, Phoenix Park as it was a similar size to the subject hereditament but a rent renewal rather than a new lease as at the subject hereditament. Ms Bailey contended that the strongest comparable assessments in support of the tone of value for main space at the subject hereditament were 1st Flr Suite 3 Terek House, Phoenix Park given its letting was just two months prior to the AVD and it was located in the same building as the subject hereditament and Suite A3, Oakpark Business Centre as it was most similar in size to it.

18. In accordance with *Lotus and Delta*, the panel considered the passing rent at the subject hereditament and deemed it unreliable for rating purposes due to its stepped nature. It found that stepped rental arrangements left too much to conjecture and therefore that any such rent would require considerable adjustment. As such, the panel attached little weight to the subject rent.

19. Turning to the third proposition in *Lotus and Delta*, the panel considered the rental evidence of comparable assessments submitted by the Appellant and Respondent and determined that the Respondent's tone of value for main space for the subject hereditament was fair and reasonable.

20. The panel attached significant weight to 1st Flr Suite 3 Terek House, Phoenix Park and Rochester Electronics 1st Flr, Phoenix House, Phoenix Park. Both of those properties were present at Phoenix Park like the subject hereditament and therefore shared its immediate locality. 1st Flr Suite 3 Terek House, Phoenix Park had a rent renewal agreed just two months prior to the AVD, and Rochester Electronics 1st Flr, Phoenix House, Phoenix Park exactly three months after. The comparable assessments had tones of value of main space of £150 per m^2 and £145 per m^2 respectively. The panel acknowledged that the subject hereditament was larger than 1st Flr Suite 3 Terek House, Phoenix Park, and therefore found quantum a factor in supporting the slightly lower tone of value for main space of £145 per m^2 at the subject hereditament. Rochester Electronics 1st Flr, Phoenix House, Phoenix Park was closer in terms of space, and the panel found its tone of value for main space of £145 per m^2 to support the same at the subject hereditament.

21. The panel attached little weight to Suite 1 Xenus House, Sandpiper Court, Phoenix Court as the parties could not agree on the nature of the letting, and no evidence was provided to support their opposing considerations. As such, the panel deemed the comparable assessment unreliable. The panel also attached little weight to Suite A3 and Suites A1 and A2, Oakpark Business Centre. Suite A3's letting was agreed thirteen months prior to the AVD and therefore an unreliable indicator of the market at that time. The properties were a mile away from the subject hereditament whereas there were comparable assessments provided in the same building that the panel had attached significant weight to.

Conclusion

22. In view of the foregoing, the appeal was dismissed.

Right of further appeal

23. 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 Valuation Tribunal for England (Council Tax Rating and Appeals) (Procedure) Regulations 2009. 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.

24. 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/.

Mrs N Carman, Senior Member (Chair)
Mrs AE Fielder, Senior Member
23 December 2025

Mr S Fletcher
Clerk to the Tribunal
Date issued to the parties: 23 December 2025