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

Case no: CHG101186416,
CHG101186424,
CHG101192058,
CHG101186426
& CHG101186430

Sitting remotely using
Microsoft Teams

Date: 7 October 2025

SCHEDULE 11 TO THE LOCAL GOVERNMENT FINANCE ACT 1988

Non-domestic rating appeal; 2017 rating list; allowances applicable for disturbance from construction works; film studios and premises; consolidated hearing; appeals allowed in part.

Before:
MRS AE FIELDER
MS C CAIQUO

Between:

SKY UK LIMITED — **Appellant**

- and -

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

Regarding:
SKY STUDIOS ELSTREE, ROWLEY LANE, BOREHAMWOOD, HERTS WD6 1FX
(the “subject property”)

Appearances:
Mr Gordon Garnett of GL Hearn, for the Appellant
Mrs Catherine Jones for the Respondent

Hearing date: 22 September 2025

DECISION AND STATEMENT OF REASONS

Decision

1. Appeal number CHG101186416 is allowed in part. Appeal numbers CHG101186424 and CHG101192058 are allowed. Appeal numbers CHG101186426 and CHG101186430 are dismissed.

Introduction

2. The subject property is a new film studio located in Elstree, Borehamwood, Hertfordshire. The completed studios provide twelve sound stages, workshops, offices, other ancillary space including dressing rooms, screening rooms, meeting rooms and a multi storey car park. It was brought into the 2017 rating list in a phased approach once parts of the site were capable of beneficial occupation.

3. The appellant's representative submitted challenges against the rateable values in response to the VO's alterations at each phase. The challenges were submitted on the grounds that an allowance should be applied to reflect the disturbances from the ongoing development. The parties agreed for this to be a consolidated hearing of the five appeals and the RV's in dispute were as follows:

    - Appeal 1- CHG101186416- £915,000 RV with effect from 20 September 2022
    - Appeal 2- CHG101186424- £1,490,000 with effect from 14 November 2022
    - Appeal 3- CHG101192058- £2,580,000 with effect from 19 December 2022
    - Appeal 4- CHG101186426- £2,880,000 with effect from 30 January 2023
    - Appeal 5- CHG101186430- £3,180,000 with effect from 20 February 2023

4. Within the challenges there were no dispute over the facts or rate per m^2. The challenges and subsequent decision pertained solely to the level of allowance. Initially the appellant proposed an allowance of 39.5% for all five appeals which had been derived from the average discount applied to product users. Within the challenge decision, the respondent, who did not agree with the average approach, proposed an allowance for each phase. Leading up to the hearing of the appeals, the appellant's representative revised his former colleagues position, agreeing that a tapered approach was required. Consequently, at the time of the hearing, the position was as follows:

    - Appeal 1 (phase 1)- The respondent agreed to 20% allowance which resulted in a RV of £735,000. The appellant considered this to be insufficient and sought a 39.50% allowance which would produce an RV of £555,000.

    - Appeal 2 (phase 2)- The respondent agreed to a 15% allowance which resulted in a RV of £1,270,000. The appellant considered this to be insufficient and sought a 20% allowance which would produce an RV of £ £1,190,000.

- Appeal 3 (phase 3)- The respondent agreed to a 10% allowance which resulted in a RV of £2,320,000. The appellant considered this to be insufficient and sought a 15% allowance which would produce an RV of £2,190,000.

- Appeal 4 (phase 4)- The respondent agreed to a 10% allowance which resulted in a RV of £2,600,000. The appellant agreed with the 10% allowance for this period.

- Appeal 5 (phase 5)- The respondent agreed to a 7.5% allowance which resulted in a RV of £2,940,000. The appellant considered this to be insufficient and sought a 10% allowance which would produce an RV of £2,860,000

5. Both Mrs Jones and Mr Garnett appeared in dual roles of advocate and expert witness. Mr Garnett confirmed that he was not instructed under a conditional fee and declared that he understood that his duty was to the Tribunal in giving his evidence regardless of whether or not the evidence supported the client's case.

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

Preliminary issue

7. Mrs Jones, for the respondent, made an application for a table to be included into evidence. It was submitted that the document was exchanged during discussions between the parties, and whilst the email was contained within the appeal documentation, the attachment, which was a table relating to discounts awarded to lettings, had been omitted. She submitted that this was a central part of the challenge as the allowance of 39.5% being requested had been derived from this data. It was stated that excluding it would put the respondent at a disadvantage and it was her opinion that it would assist the panel.

8. Mr Garnett, for the appellant, submitted that he would not be placing any reliance on this table. This was relied on initially by a previous colleague, but the current position had moved a long way from this and he had submitted revised valuations. Consequently, it was his submission that this would not assist the panel. Furthermore, operationally, Mrs Jones had only raised this the week before the hearing (17 September 2025) so it was his position that it should not be included at this late stage. That being said, he stated that it would not disadvantage his case, rather, there would be no reliance on it so he would be content with the panel's decision.

9. The practice for the exchange of evidence for such appeals requires that no later than four weeks after being notified of the appeal, the respondent VO must serve notice on the Tribunal and the appellant if they believe the appeal was not submitted with the correct evidence or information, particularly if the respondent intends to rely on it at the hearing. This is in accordance with regulation 9 of The Non-Domestic Rating (Alteration of Lists and Appeals) (England) Regulations 2009 (S.I. 2009/2268) as amended.

10. The panel heard that this was not raised sooner as there had been a change in case worker, so Mrs Jones had taken over this appeal at a later stage. Furthermore, both parties had some unavoidable absences, which meant they were not in a position to discuss this appeal until the week prior to the hearing. At this point, she reviewed the case and identified the omitted document.

11. The panel adjourned briefly to discuss the preliminary matter. It was found that there was no real prejudice as it was the appellant's own evidence. The panel noted that there was a lack of figures to assist the panel in understanding how the percentages requested by both parties had been arrived to. The panel therefore concluded that this evidence may offer it some assistance. It accepted that the omission was raised late, so this was a breach, however, the reasons for this had been explained and the respondent had raised it at the first opportunity. It also found that as this was the appellant's evidence which had been relied on during the challenge discussions, this could have been raised by either party. In accordance with these findings, and given that the Mr Garnett raised no strong objection, the panel decided to admit the table and proceeded with the hearing on this basis.

Issue and Relevant Law

12. The issues before the panel concerned the RV of the subject property at each phase and, specifically, the extent to which the assessments were affected by disturbances from the construction works.

13. In considering this appeal, the panel had regard to the term 'rateable value' is defined in paragraph 2(1), Schedule 6 to the Local Government Finance Act 1988 (as amended)

    "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".

14. The antecedent valuation date (AVD) for the 2017 list rating appeals is 1 April 2015. All five appeals were made under Regulation 4(1)(d) Non-Domestic Rating (Alteration of Lists and Appeals) (England) Regulations 2009 (SI 2009/2268) as amended:

    (d)the rateable value shown in the list for a hereditament by reason of an alteration made by a VO is or has been inaccurate;

    As such, the material date is the same as the effective date. The material date is the date the panel had regard to the physical factors relating to the appeal property and the locality. The material date for each appeal is as follows:

- Appeal 1 CHG101186416: Material day is 20 September 2022
- Appeal 2 CHG101186424: Material day is 14 November 2022
- Appeal 3 CHG101192058: Material day is 19 December 2022
- Appeal 4 CHG101186426: Material day is 30 January 2023
- Appeal 5 CHG101186430- Material day is 20 February 2023

Discussion

15. In reaching its decision, having regard to the statutory definition, the panel was considering what was happening at each material day to establish to what extent the disturbance would impact the hypothetical tenants bid.

16. The buildings were completed in phases and when they were deemed to be complete for business rates purposes, the rating list was altered. It was heard that there was still works required at each stage to complete the planned work on site and that the works were still ongoing after the completion of all the buildings.

17. As at 20 September 2022, this being the material date for appeal 1, the completed parts of the site capable of beneficial occupation comprised of two sound stages, a production office and the upper floors of the multi storey car park. This provides an accommodation of 11,209sqm gross internal area (GIA) in terms of main space (ITMS). The remainder of the site was subject to construction. By phase 5 (appeal 5), the accommodation was 50,148sqm (GIA) (ITMS) which included ten sounds stages, multiple production offices and support space and the remainder of the multi-storey car park. The remainder of the site was subject to construction. Both parties had inspected the property. Mr Garnett inspected in August 2022. Mrs Jones inspected sometime after the material dates in 2023, and therefore post the majority of the construction works. The panel was mindful of this when considering the weight to be attributed to the respective submissions regarding the situation at the material time.

18. The appellant had referred to the history of the film industry and its competitive nature. It was stated that film studios tend to be industrial in nature as whilst this was a product for Sky, Sky will hire out sound stages and the product users will then build the set they require. Mr Garnett referred to it as akin to serviced accommodation and the product users will have serious negotiations with Sky regarding the hire price which ultimately would be impacted by the works on site.

19. The panel did not attach great weight to the admitted table which showed the level of discounts provided to service users. The appellant was no longer relying on this and the respondent’s position was that it should not have been relied on initially, especially as there was a lack of detail surrounding the circumstances of the discounts given. The panel found that it did demonstrate that greater discounts were awarded at earlier stages of the work, however, there was a lack of information surrounding the agreed discounts, for example, whether they were connected parties. Furthermore, it was considering the value when vacant and to let.

20. The panel had regard to the description of the on-site issues for the duration of the works. Within the written submission, the appellant provided a non-exhaustive list of issues on site which it was stated required constant and significant adaptation by Sky over the course of the construction period. It read:

1. Additional site security – this included both staff and installation of fixtures for both privacy and to monitor and limit access whilst the site was more ‘open’ ahead of completion.

2. Power and lighting – Additional (temporary) power and lighting provisions were required separate from what was available on-site to meet the requirements of the use of the premises.

3. Conflicting schedules – Maintaining both construction and production user schedules was an ongoing concern which resulted in concessions (detailed below) and natural conflicts relating to deliveries and site population matters.

4. Site population – There were disproportionate ‘site population’ levels between Sky staff, users of the site and construction workers, with the latter representing the majority of the population. This created additional costs in terms of the security required, managing schedules and configuration of the site in order to create sufficient ‘separation’ between the populations.

5. Lack of space – Occupation of the site by the construction team and all associated vehicles and machinery affected circulation space and access to the areas of the site that were completed and occupied by relevant users.

6. Access issues – There were access issues to individual areas of the site associated with the construction works, mentioned above. However, there were further issues in that the ‘main entrance’ to the site wasn’t open to non-construction traffic until late in the project. This meant that all production traffic had to be managed through one sole gate, creating a bottle-neck and impacting deliveries across site. In addition, the main entrance was only open for car park use which meant that users had to travel from the car park to the occupied area of the site via designated, winding walkways.

7. Site sharing – The use of the main studio site whilst construction works were ongoing resulted in the requirement to use an external site, Panattoni, across Rowley Lane to facilitate the user requirements. This, in itself, created its own issues and also resulted in a substantial loss to Sky in terms of income.

8. Snagging – As is always the case with new construction works, there were ongoing snagging issues which affected the ongoing use of the premises, therefore affecting the day-to-day use of the site which had to be accounted for.

9. Noise, dust, and vibration – As is typical with significant development works of this nature, there were issues pertaining to:

   Noise on site as a result of ongoing construction and transportation of materials

   Dust, mud, rubble and other associated aspects of construction causing to make the site less sightly, marketable/attractive to prospective users and additional cleaning requirements to uphold standards and quality

   Vibration causing disturbance to the use of the primary use of the premises as a result of ongoing construction

21. The photographs, which were provided in support of the stated issues, demonstrated that major construction was taking place in August and September 2022. The photographs depicted a large amount of building materials situated in between buildings, stacks of pipes and equipment near the main entrance and a digger on site as well as forklifts and cherry pickers. The photographs from September 2022 to March 2023 evidenced that significant works were still ongoing with temporary road coverings, machinery and storage of building materials. It was therefore evident that the work was ongoing and the disturbances were present at each material date, albeit to a lesser degree.

22. Two assessments were referred to by the appellant during the challenge stage, however, at the hearing Mr Garnett confirmed that he was not relying on them for the purpose of this appeal as they were a different mode or category. Mr Garnett candidly submitted that the valuations presented were based on his experience and having inspected the subject property. He considered that the revised proposed valuations were fair and reasonable.

23. Mrs Jones referred to a table of assessments deemed comparable which had been awarded allowances ranging from 5% to 10% for construction works on site. The panel found that they related to warehouses and workshops so did not provide strong comparable evidence when comparing to a film studio. Consequently, little weight was attributed to this evidence. Mrs Jones submitted that owing to the industrial nature, there would be work taking place on site when a sound stage was let out, as each product user would build a set to their specifications. She also stated that there would be soundproofing and depending on the position of the sound stage, the impact of the construction would vary. The panel found that the building of the set would be somewhat different to the major construction whilst building the full premises. Furthermore, by Mrs Jones' own admission (and supported by the VO's higher allowance of 20% awarded for phase 1 compared to the allowances awarded to the assessments presented as comparable), a film studio would be impacted more severely to that of typical industrial premises. When asked how the allowances had been reached, Mrs Jones also confirmed that it was somewhat subjective but based on experience.

24. The panel found that the impact to a film studio would be more severe than properties with light industrial use. Not only in respect of the noise disturbance but also due to the confidential nature and the requirement for security. It was the panel's findings that the significant construction work would have impacted the hypothetical tenant's bid. However, the hypothetical tenant fresh to the scene would be mindful of the situation at the material date and how many months lay ahead. As such, the panel found a tapered approach to be appropriate, this approach was also now agreed by both parties.

25. The parties agreed to an allowance of 10% for phase 4. In respect of phase 1, as at the material date of 20 September 2022, the majority of the site was under construction. The panel was not persuaded that 39.5% was appropriate for phase 1. Having regard to the fact that there would be five/six months of construction ahead, and considering the issues, photographs and the facilitation cost of 33%, the panel found 30% to be fair and reasonable. In respect of phase 2, which had a material date of 14 November 2022, there were additional buildings now in use and therefore closer to completion, the panel found the appellant's proposed 20% to be supported. Considering the buildings present and the work outstanding at phase 3, which had a material date of 19 December 2022, the panel found the appellant's proposed allowance of 15% to be reasonable. Phase 4, as previously referred to was agreed by the parties at 10%. In respect of phase 5 the works were nearer

completion and therefore there was a difference between the situation as at phase 4 so the panel was not persuaded that the same level of 10% should be applied. It therefore found the 7.5% allowance applied by the respondent to be fair and reasonable.

26. Applying the end allowances in accordance with the above findings reduces the RV's to the following:

- Appeal 1- CHG101186416- £640,000 RV with effect from 20 September 2022

FLOOR	DESCRIPTION	AREA (m^2)	PRICE (£/m^2)	TOTAL VALUE (£)
Ground	Production Area	2365.00	£104.00	£245,960
Ground	Production Area	2365.00	£104.00	£245,960
Ground	Office	1074.00	£105.60	£113,414
First	Office	1074.00	£105.60	£113,414
Second	Office	1074.00	£105.60	£113,414
Ground	Plant Room	132.00	£80.00	£10,560
Ground	External Storage	700.00	£60.00	£42,000
Ground	Portable Building	200.00	£60.00	£12,000
ADDITIONAL ITEMS				
	Car Park	444	£50.00	£22,200
			Subtotal	£918,923
	Temporary Disadvantage		-30.00%	-£275,677
			Total	£643,246
			Say	**£640,000**

- Appeal 2- CHG101186424- £1,190,000 RV with effect from 14 November 2022

FLOOR	DESCRIPTION	AREA (m^2)	PRICE (£/m^2)	TOTAL VALUE (£)
Ground	Production Area	2365.00	£104.00	£245,960
Ground	Production Area	2365.00	£104.00	£245,960
Ground	Office	1074.00	£105.60	£113,414
First	Office	1074.00	£105.60	£113,414
Second	Office	1074.00	£105.60	£113,414
Ground	Plant Room	132.00	£80.00	£10,560
Ground	External Storage	700.00	£60.00	£42,000
Ground	Portable Building	200.00	£60.00	£12,000
Ground	Production Area	2797.00	£104.00	£290,888
Ground	Office	911.30	£105.60	£96,233
First	Office	911.30	£105.60	£96,233
Second	Office	911.30	£105.60	£96,233
ADDITIONAL ITEMS				
	Car Park	444	£50.00	£22,200
			Total	£1,498,511
	Temporary Disadvantage		-20.00%	-£299,702
			Total	£1,198,809
			Say	**£1,190,000**

- Appeal 3- CHG101192058- £2,190,000 RV with effect from 19 December 2022

FLOOR	DESCRIPTION	AREA (m²)	PRICE (£/m²)	TOTAL VALUE (£)
Ground	Production Area	2365.00	£79.95	£189,082
Ground	Production Area	2365.00	£79.95	£189,082
Ground	Office	1074.00	£81.18	£87,187
First	Office	1074.00	£81.18	£87,187
Second	Office	1074.00	£81.18	£87,187
Ground	Plant Room	132.00	£61.50	£8,118
Ground	External Storage	700.00	£46.13	£32,288
Ground	Portable Building	200.00	£46.13	£9,225
Ground	Production Area	2797.00	£79.95	£223,620
Ground	Office	911.30	£81.18	£73,979
First	Office	911.30	£81.18	£73,979
Second	Office	911.30	£81.18	£73,979
Ground	Workshop	5899.00	£61.50	£362,789
Ground	Workshop	7567.00	£61.50	£465,371
Ground	Production Area	1871.00	£79.95	£149,586
Ground	Production Area	1871.00	£79.95	£149,586
Ground	Production Area	1871.00	£79.95	£149,586
Ground	Production Area	1871.00	£79.95	£149,586
ADDITIONAL ITEMS				
	Car Park	444	£50.00	£22,200
			Subtotal	£2,583,619
	Temporary Disadvantage		-15.00%	-£387,543
			Total	£2,196,076
			Say	**£2,190,000**

27. The 2017 rating list was amended following the issue of the challenge decisions. The 10% and 7.5% allowances for phase 4 and 5 were found to be fair and reasonable having regard to the positions as at the respective material dates. Consequently, the RV's of £2,600,000 with effect from 30 January 2023 and £2,940,000 with effect from 20 February 2023 were upheld and accordingly, appeals 4 and 5 are dismissed.

Determination

28. In view of the above findings and conclusions, the Tribunal finds that the RV was unreasonable in respect of appeal CHG101186416 and the appeal is allowed in part. The RV was found to be unreasonable in CHG101186424 and CHG101192058 and the appeals are allowed. The RV's were found to be reasonable in respect of appeal numbers CHG101186426 and CHG101186430 and those appeals are dismissed.

29. Under the provisions of regulations 38(4) and 38(7) of the Valuation Tribunal for England (Council Tax and Rating Appeals) (Procedure) Regulations 2009, the Valuation Tribunal for

England orders the Valuation Officer to reduce the entry in the rating list in respect of Sky Studios Elstree, Rowley Lane, Borehamwood, Herts WD6 1FX to show the following:

- £640,000 RV with effect from 20 September 2022
- £1,190,000 RV with effect from 14 November 2022
- £2,190,000 RV with effect from 19 December 2022 until 29 January 2023

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

31. In respect of the appeal allowed/allowed in part, a refund of the paid fee will now be arranged (Regulation 13E of the NDR Alteration of Lists & Appeals Regs) provided there is no review of the Tribunal's decision. The refund will take around six weeks to process.

Right of further appeal

32. 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.

33. 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 AE Fielder, Senior Member (Presiding)

Ms C Caiquo, Senior Member

7 October 2025

Mrs C McAvoy
Clerk to the Tribunal
Date issued to the parties: 7 October 2025