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

Case No: CHG101190077

Sitting remotely using Microsoft Teams

Date: 5 September 2025

SCHEDULE 11 TO THE LOCAL GOVERNMENT FINANCE ACT 1988

RATING — Local Government Finance Act 1988 — mode or category of occupation — gymnasium — appeal allowed in part.

Before:
MR AMRAN HUSSAIN
MRS L BRYNING

Between:

ANGELA RODWELL — **Appellant**

- and -

AMANDA HITCHINGS (VALUATION OFFICER) — **Respondent**

Regarding:
FITNESS PROJECT NE LTD, N270A, QUEENSWAY SOUTH GATESHEAD,NE11 0SD
(the "appeal property")

Ms A Rodwell, the appellant in person, assisted by Mr A Davison
Mr P Rose, advocate and expert witness for the respondent

Hearing date: 27 August 2025

DECISION AND STATEMENT OF REASONS

Decision

1. Appeal allowed. The rateable value was reduced to £12,750 with effect from 1 April 2023.

Introduction

2. The appeal property was entered in the 2023 rating list as “gymnasium and premises”, initially at a rateable value (RV) of £18,500 from 1 April 2023. In the appellant’s proposal, a reduction to RV £10,000 was sought from the same date. The valuation officer (VO) decided that the existing RV was too high and reduced it to £17,750 from 1 April 2023.

3. The appeal to the Tribunal was then made on the grounds that the valuation for the appeal property was not reasonable. This was made in accordance with regulation 13A of the Non-Domestic Rating (Alteration of Lists and Appeals) (England) Regulations 2009.

4. Mr Rose appeared as advocate and expert witness for the respondent. The dual role is allowable in this Tribunal’s proceedings having regard to procedure regulations[1] and rules regarding admissibility of evidence[2]. However, it was necessary to consider the “expert” evidence and assess what weight, if any, to give it in the context of the matters in issue.

5. While appearing as an expert, Mr Rose stated that he was not the author of the VO’s decision.

6. The panel decided to admit some late evidence from the appellant as the VO had agreed to its inclusion.

7. The panel’s presiding senior member briefly lost connection at the beginning of the hearing and the proceedings were adjourned until his connection was restored.

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

Relevant law

9. The term ‘rateable value’ is defined in 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 –

[1] Regulation 3 (Discharge of VTE functions – general) of the Valuation Tribunal for England (Council Tax and Rating Appeals) (Procedure) Regulations 2009.
[2] Regulation 17(2)(a) (Evidence and submissions) of the Valuation Tribunal for England (Council Tax and Rating Appeals) (Procedure) Regulations 2009.

(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."

10. The term "hereditament" is an old-fashioned word used in property law. In the context of this appeal, it simply refers to the appeal property.

11. Under Schedule 6, paragraph 2(7), the rateable value is required to reflect several matters, one of which is the mode or category of occupation.

12. In respect of all entries in the 2023 rating list, the rental levels are to be taken on 1 April 2021, the antecedent valuation date (AVD).

13. The material day to consider the appeal property was 1 April 2023.

Discussion

14. The appeal property is a gymnasium located on an industrial estate at Team Valley, Gateshead. The eaves height was thought to be approximately 4.5m with a ridge height of 6m or thereabouts.

15. The accounting evidence submitted by the appellant showed that there was a low turnover for this operation. There were lots of messages of support from the members of the gym, noting the affordability and health benefits for the local community.

16. An appeal had been made by Ms Rodwell because the 2023 RV for the appeal property had increased from RV £10,250 in the 2017 rating list. The increase in the unit price had changed from £35/m^2 to £62.50/m^2.

17. The principal reason for the increase appeared to the panel to be the way in which the VO had valued the appeal property. The appellant had successfully obtained planning permission for a change of use from "general industrial (B2 use)" to "cross training gym (D2 assembly and leisure use)". As a result, the 2017 RV was reduced from £17,500 to £10,250. The difference appeared to the panel to reflect the change in the mode or category of occupation.

18. For the 2023 list, the VO believed that the RV should reflect the location in an industrial area. Vacant and to let, "the subject would attract a variety of tenants and would unlikely remain as a

gymnasium." The VO relied on the rents on three industrial units as well as the appeal property's rent.

19. The actual rent on the appeal property is a good starting point because an RV reflects an annual rent assuming a tenant is responsible for all rates, taxes, repairs and insurance. New lettings usually carry the most weight as this conforms with the statutory definition of RV, provided the new lettings are close to the AVD.

20. The rent on the appeal property was agreed at £20,000 per annum from 18 December 2019 with a three-month rent-free period, followed by a four-month rent-free period during the Covid pandemic. The rent was stated to devalue to £66.95/m^2.

21. The VO had relied on 3 rents on neighbouring units, but none of them were gymnasiums:

- N269C, Queensway South – retail warehouse – rent devalued to £59.80/m^2 at 1 April 2020
- N270B, Queensway South – warehouse – rent devalued to £67.73/m^2 at 1 December 2020
- N269A, Queensway South – workshop – rent devalued to £58.41/m^2 at 1 September 2019

22. The VO's preferred comparable was N270B because the rent was closest to the AVD.

23. The panel decided to place little weight on the appeal property rent. Through questions, it was established that the appellant had agreed to this without any professional advice and that she had chosen the location for its proximity to her home and away from other gymnasiums. In addition, the rent had been agreed prior to the outbreak of Covid 19 in the UK. When asked, the respondent's representative acknowledged that these factors made the appeal property's rent less reliable. The panel was reluctant to attach any significant weight to the appeal property rent.

24. In addition, the panel had concerns with the basket of rental evidence used in the VO's decision. They were all industrial units, whereas the mode or category of occupation of the appeal property was that of a gymnasium. The appellant referred to *Pursuit Three 2 One Training Ltd v Virk (VO)* [2019] VTE CHG100069867 where this Tribunal had determined that a gymnasium in Wolverhampton should be valued in line with other gymnasiums and not the shops that surrounded it.

25. The appellant also stated that there had been a lack of demand to use the appeal property as an industrial unit. This had been acknowledged by the planning authority in the change of use. Similarly, a further unit on the estate had recently been allowed to change its use to a medical facility.

26. The appellant stated that the electricity arrangement at the appeal property was unsuitable for industrial use because the warehouse only had two double electricity sockets within the main floor area.

27. In addition, the appellant had carried out alterations to the property to create a gymnasium. This included the removal of a vestibule, the alteration of doorway widths, the installation of heaters, the installation of a permanent steel rig installed over part of the main floor area and a wooden feature wall. There were also separate male and female toilets/shower room/changing areas. The gymnasium had operated for six years.

28. In view of the foregoing, the panel therefore preferred to make its decision having regard to the three gymnasiums cited as comparable by the appellant.

29. Unfortunately, when asked, the appellant knew little about the comparable properties she had selected. Similarly, the respondent's expert had not inspected them. However, Mr Rose was able to say that two of the comparable properties (Powerhouse Fitness and Sub-two Fitness) were first floor gymnasiums. The panel had concerns over the comparability given this difference and because they were located quite a distance away. There was also a question mark over whether they had the height for cross training.

30. One of the comparable gymnasiums (Browning Square, 67 Browning Square, NE8 3NU) was stated by the respondent's representative to be 3 miles away in Gateshead. The gymnasium was at ground floor level. Little else was known about it, but the panel noted it had been assessed at £45.13/m^2. In the absence of any better evidence of comparable gymnasiums, the panel decided to adopt the same price per square metre in respect of the appeal property's assessment.

Determination

31. In view of the above findings and conclusions, the appeal is allowed in part, with the following revised valuation (based on the VO's valuation on page 8 of the VO decision notice):

286.90m^2 x £45.13 per square metre = £12,948

Say **rateable value £12,750**

Order

32. Under the provisions of regulation 38(4) of the Valuation Tribunal for England (Council Tax and Rating Appeals) (Procedure) Regulations 2009, the Valuation Officer is ordered to reduce the entry in the 2023 rating list to rateable value £12,750 with effect from 1 April 2023.

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

Refund of appeal fee

34. As the ground of the appeal has been made out, the appeal fee is to be refunded in full. This will take approximately six weeks to process.

Right of further appeal

35. 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 and Rating 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) within **four weeks** of the date this decision and statement of reasons is issued.

36. 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 Amran Hussain, Senior Member (Presiding)

Mrs L Bryning, Senior Member

5 September 2025

Mr D Mulgrew
Clerk to the Tribunal
Date issued to the parties: 5 September 2025