VALUATION TRIBUNAL FOR ENGLAND

2017 Rating List Appeal: shop and premises; Local Government Finance Act 1988; zone A rate in dispute; rental evidence; tonal evidence; zone B area; non-structural wall: appeal dismissed.

APPEAL NUMBER:	CHG101193784
RE:	60 Buccleuch Street, Barrow-in-Furness, LA14 1QG (the “subject property”)

BETWEEN: AD — Appellant

and

(Valuation Officer) — Respondent

SITTING:	*remotely using Microsoft Teams*
ON:	1 April 2025
BEFORE:	Mr APS Crawford, Presiding Senior Member Miss EA Howard, Senior Member
CLERK:	Miss N Shepherd IRRV (Hons)
APPEARANCES:	AD, the appellant Ms L Ramshaw, on behalf of the respondent

---

DECISION AND STATEMENT OF REASONS

Decision

1. The appeal is dismissed.

2. The panel found that the entry in the 2017 rating list was not unreasonable and confirmed the Rateable Value (RV) at £3,050 with effect from 1 April 2017.

Introduction

3. This is a 2017 rating list appeal. The subject property had been entered into the 2017 rating list as ‘shop and premises’ at an RV of £3,200 with effect from 1 April 2017.

4. The challenge proposal was submitted by the appellant and was received by the Valuation Officer on 13 March 2024. It had been made on the grounds that the current rateable value was unreasonable and proposed a new rateable value of £2,550.

5. The respondent issued a challenge case decision notice on 10 June 2024, which stated that based on the evidence available, the existing rating list entry of £3,200 RV was unreasonable and determined a revised entry of £3,050 RV with effect from 1 April 2017. The revised RV was based upon a reduction in the zone A rate from £115/m^2 to £110/m^2 . The appellant appealed that decision to this Tribunal on 17 October 2024 on the grounds that the valuation for the subject hereditament remained unreasonable.

6. The subject hereditament was a mid-terraced shop occupying the ground floor of a two-storey building and with access to the rear of the property via a yard. The property was located within a predominantly residential area in a parade of six shops. It was valued on a zoned basis with an area of 28.12m^2. The appellant proposed the zone A base price be reduced to £100/m^2 and the zone B area should be valued as storage.

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

The hearing

8. At the appellant's request and with the agreement of the parties, the panel varied the procedure outlined in the Consolidated Practice Statement PS8 - Model Procedure, in order for Ms Ramshaw to present her evidence first.

Relevant Law

9. The panel was 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.

10. 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).

11. 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

Zone A Rate

12. The panel firstly addressed the zone A rate of the subject property. The panel had regard to *Lotus and Delta v Culverwell (VO) and Leicester City Council* [1976] RA 141. The panel was aware that this was a leading judgment which had set out six propositions to be followed when considering the weighting of evidence. The starting point was the subject rent. Consideration of how the time, subject matter and conditions related to the statutory requirements was required in order to determine how much weight should be attached to the subject rent. The remaining propositions required consideration of the rents of similar properties and comparable assessments. In light of all the evidence an opinion could then be formed.

13. In this case the subject property had been vacant for a number of years, with the most recent rental evidence being a form of return issued on 29 February 2008, which was too far-removed from the AVD to be useful. The panel therefore found it must consider the rental details of other comparable properties.

14. Ms Ramshaw referred to 58 Buccleuch Street, which was located next door to the subject property. This lease had commenced with effect from 1 April 2012 at £3,559 per annum , based on repairs only with a month rent free, which had been disregarded for fit out costs. This analysed to £113.33/m^2, which Ms Ramshaw contended supported the current Zone A rate at the subject property. The panel noted the start date of this lease was three years prior to the AVD, and as such it did not consider it to be indicative of the rental levels that could be achieved as of 1 April 2015. Therefore, it attached little wight to this evidence.

15. The appellant had provided details of several properties within the locality of the subject property which he considered supported his proposed zone A rate of £100/m^2. He referred to 75-77 Buccleuch Street, which was a shop, and had formerly been a showroom. This measured 129.18m^2 and had an unadjusted rate of £100/m^2. The panel could understand why the appellant had referred to this assessment but noted that it was considerably larger than the subject property and valued on an overall basis as opposed to the zoning menthid, due to its size. Taking this into account, the panel did not consider this property to be comparable to the subject property.

16. The appellant also referred to 3 and 3b Slater St which measured 19.13m^2 and 13.2 m^2 and which both had a base rate of £100/m^2. The appellant submitted that these assessments clearly showed that £100/m^2 was reasonable for shops of a similar size to the subject property, within the locality.

17. Ms Ramshaw contended that although Slater Street was in close proximity to the subject property, it was located in a more secondary position, facing onto Buccleuch Street and in a smaller terrace of shops. She submitted that the assessments located within the same parade as the subject property were most comparable due to their close proximity. 58, 66, and 68 Buccleuch Street all had zone A rates of £115/m^2. Based upon this she submitted the current zone A rate of £110/m^2 at the subject property was more than reasonable.

18. The panel appreciated the effort the appellant had put into compiling his evidence; however, it was not persuaded that the zone A rate of £110/m^2 at the subject property was unreasonable. Whilst the panel considered the evidence relating to Slater Street to be useful, it found the best evidence to be the tonal evidence at 58, 66 and 68 Buccleuch Street, which were all within the exact locality as the subject property and had higher zone A rates. Based upon this evidence, the panel did not consider the current zone A rate to be excessive.

Treatment of Zone B area

19. The panel then had regard to the area at the rear of the subject property and whether this should be valued using the zoning method. The appellant submitted that this area was utilised as a storage area only and not accessible to members of the public, therefore he did not consider it should be valued at zone B. It was separated from the main shop by a stud wall. Ms Ramshaw submitted that although the area at the back of the subject property was separated by the stud wall, as the partition was non-structural and non-load bearing zoning continued through it.

20. The appellant referred to 35 Michaelson Road, where he had previously been the proprietor, and which was similar with a stud wall partitioning the shop from the storage area; however here the storage area was not valued using the zoning method. Therefore, the appellant could not understand why the same was not applicable at the subject property.

21. Ms Ramshaw submitted that the back area at 35 Michaelson Road had been valued as a kitchen, which was the reason zoning was not applicable and that if it had not been fitted out as a kitchen it would have been valued at zone B. The appellant submitted that the area had purely been used for storage and had no kitchen facilities within it. During questions Ms Ramshaw confirmed no inspection had been undertaken at 35 Michaelson Road and that it came out of the rating list in 2023, however she reaffirmed that she was aware that the area of the back of the property had been agreed on the basis it was used as a kitchen, not storage.

22. The panel could understand the reasons for the appellant's contention, particularly given that he considered that the storage area at 35 Michaelson Road had not been valued using the zoning method and was identical. However, as confirmed by Ms Ramshaw, the reasons for this were because it had agreed that at 35 Michaelson Road the area was being used a kitchen. Whilst this may have not been the case, this was the basis of the area not being zoned. The panel considered that at the subject property, the fact that the area was being used as storage was not in contention. Based upon this and taking into account that the partition wall was non-structural the panel ultimately found that the area at the rear of the subject property had correctly been valued at zone B.

Disposal

23. In view of the above findings and conclusions, the panel therefore confirmed the RV at the subject property to be £3,050 RV with effect from 1 April 2017.

Date issued to parties: 1 May 2025

Right of further appeal

Any party who is aggrieved by the Tribunal's decision, and who appeared or was represented at the hearing, has the right of appeal to the Upper Tribunal (Lands Chamber). Any such appeal should be made within four weeks of the date of this decision notice.
