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

Case No: CHG101207015

Sitting remotely using
Microsoft Teams on
20 April 2026

SCHEDULE 11 TO THE LOCAL GOVERNMENT FINANCE ACT 1988

RATING — Local Government Finance Act 1988 — 2017 rating list — factory and premises — appeal against rateable value — valuation tone and comparables — appeal dismissed

Before:

MR HS DHAMI
MR PJ WARD
MS S BUKHARI

Between:

TITAN STEEL WHEELS LIMITED **Appellant**

- and -

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

Regarding:

TITAN STEEL WHEELS, 21 BRIDGE ROAD, KIDDERMINSTER DY10 3SD
(the "subject property")

Mr T Stratton of Avison Young, for the Appellant
Mr D Lewis of the Valuation Office, for the Respondent

DECISION AND STATEMENT OF REASONS

DECISION

1. The appeal is dismissed.

2. The Tribunal confirms the entry in the 2017 rating list for the subject hereditament at a rateable value of £242,000 with effect from 1 April 2017.

STATEMENT OF REASONS

Introduction

3. This appeal arose from a proposal made by the Appellant seeking a reduction in the rateable value of the subject hereditament with effect from 1 April 2017. The proposal contended that the assessment in the 2017 rating list was excessive, having regard to settlement evidence arising from the Check and Challenge process. In particular, the Appellant proposed that the main rate be reduced from £12.50 per square metre to £11.00 per square metre, which would result in a corresponding reduction in the rateable value from £242,000 to £209,000.

4. On 21 July 2025, the Respondent served a Challenge case decision notice, determining that the proposal was not well-founded.

5. Mr Stratton appeared on behalf of the Appellant as both advocate and expert witness. In accordance with the Upper Tribunal's judgment in *Gardiner & Theobold LLP v David Jackson (VO)* [2018] UKUT 0253 (LC), Mr Stratton confirmed that he was instructed under a contingency fee arrangement. He further declared that he understood and accepted that his overriding duty, when giving evidence, was to the Tribunal, and that he would comply with that duty and with the requirements of his professional body, irrespective of whether his evidence supported the Appellant's case.

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

Relevant Law

7. Section 41 of the Local Government Finance Act 1988 ("the Act") requires the Valuation Officer for a billing authority to compile and maintain a local non-domestic rating list for the authority's area. Pursuant to section 42 of the Act, that rating list must include each relevant non-domestic hereditament.

8. The term *"hereditament"* is defined by section 64(1) of the Act, by reference to section 115(1) of the General Rate Act 1967, as:

> "property which is or may become liable to a rate, being a unit of such property which is, or would fall to be, shown as a separate item in the valuation list."

9. Rateable value is defined in paragraph 2(1) of Schedule 6 of the Act, as amended by the Rating (Valuation) Act 1999, as:

> "… 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 the usual tenant's rates and taxes and bear the cost of the repairs and insurance and the other expenses (if any) necessary to maintain the hereditament in a state fit to command the rent mentioned above."

Discussion

10. The subject hereditament comprised a manufacturing facility with a total floor area of 20,371.1m^2. It consisted of a mix of inter-war and later industrial accommodation arranged across a sloping site and was owner-occupied by the Appellant. The property was situated within the village of Cookley, just over three miles north of Kidderminster, and approximately 11 miles from the nearest motorway junction on the M5.

11. The Appellant submitted that there was an absence of rental evidence to support the level of value applied to the subject hereditament in the 2017 rating list and contended that, in such circumstances, settlement evidence should be afforded greater weight in accordance with *Lotus and Delta v. Culverwell (VO)*1976 RA141. On that basis, it was argued that the adopted main rate of £12.50 per square metre was excessive, given settlement evidence indicated reductions in rateable values for comparable large manufacturing hereditaments between the 2010 and 2017 rating lists.

12. In that context, Mr Stratton directed the panel to several agreed assessments, placing particular reliance on Walter Somers Ltd, Haywood Forge, Prospect Road, Halesowen. He noted that this property comprised industrial accommodation of mixed ages situated on a level site within an industrial location. It had total floor area of 22,720m^2 and was assessed at £222,000 in the 2017 rating list, with a 15% end allowance for layout. Mr Stratton observed that this represented an approximate reduction of 12% from its 2010 list assessment of £252,500.

13. Mr Stratton also referred to Kingspan Insulation Ltd, Shobdon Airfield, Pembridge, Leominster, a factory with a total floor area of 52,954m^2. It was assessed at £860,000 in the 2017 rating list, including a 13.5% end allowance for layout, reflecting an 11% reduction from its 2010 rating list assessment of £965,000. He further highlighted Freemans of Newent, Grandstand Road, Hereford, a factory with a total floor area of 36,750m^2. It was assessed at £625,000 in the 2017 rating list, with a 12.5% end allowance for layout, representing an 8% reduction from its 2010 rating list assessment of £680,000.

14. Reference was additionally made to settlements at Hortonwood 30, Telford, including properties occupied by Makita, a factory with a total floor area of 24,105m^2, and Epson, a factory with a total floor area of 42,477m^2. In each case, the agreed assessments showed reductions of between 8% and 9% between the 2010 and 2017 rating lists.

15. Mr Stratton further drew attention to an additional settlement which became available following discussions with the Respondent and prior to the lodging of the appeal, and which he considered to be directly relevant to the subject appeal. This related to Bridgnorth Aluminium Ltd, Stourbridge Road, Bridgnorth, Shropshire, where an outstanding Challenge was agreed in August 2025, resulting in the 2017 rateable value being reduced to £1,130,000. He noted that this compared with a 2010 list assessment of £1,160,000 and therefore represented a reduction of approximately 3%.

16. Mr Stratton concluded that the settlement evidence relied upon demonstrated a consistent and established approach to the valuation of large manufacturing hereditaments for the 2017 rating list. Each of the comparables cited had been assessed at or above their 2010 list levels but subsequently settled following Challenge at reductions of between 3% and 12%. Having regard to that evidence, he contended that the Respondent's adopted main rate of £12.50 per square metre was excessive. Applying the same approach evident across other factory and premises in the Central region, he submitted that a reduced main rate of £11.00 per square metre was appropriate, representing a 12% reduction from the 2010 list level.

17. In response to those submissions, Mr Lewis, for the Respondent, contended that the settlement evidence relied upon by Mr Stratton was of limited assistance, as the comparable properties cited were geographically remote from the subject hereditament, the closest being approximately 10.6 miles away, with another noted at a distance of 27.2 miles.

18. For that reason, Mr Lewis drew the panel's attention to what he considered to be more appropriate and locally relevant comparable evidence, as set out in the Respondent's decision notice, which he said provided a better indication of the tone of the locality. In particular, reference was made to Victoria Carpet Co Ltd, Worcester Road, Kidderminster, which was located approximately 4.2 miles from the subject hereditament, with a total floor area of 21,480.9m^2.

19. Victoria Carpet Co Ltd was assessed at a rate of £18.50 per square metre in the 2017 rating list. The site comprised buildings of mixed ages, including a 1950s element and a 1992 build (refurbished in 2002), and benefited from a mixed-ages allowance to reflect its varied construction. The Respondent had noted that the subject hereditament similarly comprised multiple survey units of differing ages.

20. Turning to the detailed valuation evidence, the Respondent had highlighted that the 1950s and 1992 sections of the Victoria Carpet Co Ltd property were assessed at £18.50 per square metre on an unadjusted basis, with the latter subsequently uplifted to £34.00 following a survey unit adjustment. By contrast, the 1920s section of the subject hereditament was assessed at £12.50 per square metre, with the later 1970s accommodation valued at £17.00 per square metre. It was submitted that this comparison demonstrated that the subject hereditament was not over-valued and that, in particular, the rate applied to its more modern accommodation remained below that applied to the 1950s accommodation at Victoria Carpet Co Ltd.

21. As part of the comparable evidence relied upon, the Respondent had also referred to L.G. Harris & Co, Hanbury Road, Stoke Prior, Bromsgrove. That hereditament was assessed at £30.00 per square metre in the 2017 rating list and was located approximately 14 miles from the subject hereditament. It had a total floor area of 27,995.5m^2 and was therefore comparable in scale.

22. The Respondent submitted that, notwithstanding the greater distance, L.G. Harris & Co provided a meaningful comparison with the subject hereditament by reason of a number of shared characteristics. Both the subject hereditament and L.G. Harris & Co comprised large-scale manufacturing facilities with significant operational footprints, incorporating extensive industrial accommodation together with ancillary space likely to include production areas, storage and offices. The Respondent further noted that both hereditaments were located within the Worcestershire area and operated within the same broad regional market, being subject to similar economic conditions, infrastructure access and planning considerations. In that context, it was contended that the 14-mile separation did not preclude comparison.

23. It was accepted by the Respondent that the rate applied to L.G. Harris & Co reflected a property of a more modern and higher specification. By contrast, the subject hereditament comprised buildings of mixed age and suffered from layout inefficiencies and functional limitations. On that basis, the Respondent relied upon the comparison to demonstrate that the higher assessment of £30.00 per square metre represented an upper benchmark, reinforcing the appropriateness of a lower valuation range for the subject hereditament, at between £12.50 and £17.00 per square metre.

24. Lastly, the Respondent had referred to Eaton Fluid Power Group, Thorns Road, Brierley Hill, West Midlands. The hereditament was assessed at £23.00 per square metre in the 2017 rating list and had a total gross floor area of 23,790.08m^2.

25. It was contended that its substantial footprint, together with its use within the manufacturing and industrial sector, made it a useful point of reference when considering rateable values for similar properties within the region. It was further noted that Eaton Fluid Power Group was located approximately 6.9 miles from the subject hereditament, and that this degree of proximity supported its relevance, on the basis that market conditions and regional economic factors affecting values and operating costs were likely to be broadly aligned.

26. The Appellant had responded by questioning the relevance and weight that should be attached to the comparable evidence relied upon by the Respondent.

27. In relation to Victoria Carpet Co Ltd, the Appellant acknowledged that the property was relatively close to the subject hereditament and of a similar scale. However, it was submitted that, beyond those factors, it bore limited relevance. It was noted that the property was situated within the main Kidderminster conurbation, located off a principal dual carriageway forming a main arterial route into and out of the town, on a flat site comprising newer buildings and surrounded by other industrial units.

28. Turning to L.G. Harris & Co, the Appellant submitted that although the property was more remote, it shared only limited similarities with the subject hereditament. It was noted that the property benefitted from a flat site with good access, was situated among other commercial and industrial properties, and that it did not provide heavy manufacturing accommodation of the same nature as the subject hereditament.

29. In respect of Eaton Fluid Power Group, the Appellant indicated that although they were reasonably familiar with the general location, they were not familiar with the internal characteristics of the property itself. It was observed that the property appeared to be situated alongside other industrial units and accessed directly from a dual carriageway.

30. The Appellant emphasised that the subject hereditament was situated in an entirely different and inferior location to the Respondent's comparables. It was described as being more remote, with poorer access from a village road forming a spur rather than a principal route, and arranged across a steeply sloping site. Taken together, the Appellant contended that these locational and physical disadvantages, combined with the absence of comparable evidence tested through the CCA process, meant that limited weight should be attached to the Respondent's comparables.

31. In response to the Appellant's criticism of the Respondent's comparable evidence, and the emphasis on the subject hereditaments purportedly inferior location, Mr Lewis argued that the subject hereditament was appropriately located for its established use as a heavy steel manufacturing facility. He submitted that such an operation did not depend upon proximity to a town centre or a prime commercial location. He accepted, however, that its rural setting was a relevant consideration and one which had already been reflected in the valuation.

32. He further contended that the remaining distinctions drawn by the Appellant between the subject hereditament and the Respondent's comparables did not demonstrate that the assessment was excessive. In particular, he submitted that matters such as topography were not anomalous factors, but were inherent attributes of the property which had been properly accounted for within the valuation.

33. Mr Lewis therefore placed reliance on the adjustments applied within the subject hereditament's assessment. He explained that a 10% allowance had been applied to reflect the rural nature of the location and a further 10% allowance to reflect the impact of the site's sloping topography on usability and access. This was in addition to an allowance of 5% that had been made in respect of layout considerations, including the divided nature of the accommodation.

34. He further stated that, once the allowances were applied, the resulting effective rate equated to a base figure of approximately £9.00 per square metre. He observed that this represented an exceptionally low level of value when viewed against industrial values generally, and submitted that even undeveloped industrial land would ordinarily be expected to command a higher figure.

35. On that basis, Mr Lewis submitted that the locational and physical disadvantages relied upon by the Appellant had already been appropriately reflected within the assessment of the subject hereditament, and that no further adjustment was warranted.

36. The panel carefully considered the evidence and submissions advanced by both parties. The burden of proof rested with the Appellant to demonstrate that the assessment shown in the 2017 rating list was inaccurate. Having regard to the totality of the evidence, the panel was not satisfied that this burden had been discharged.

37. The Appellant placed significant reliance on settlement evidence from a range of large factories. The panel noted that the properties cited were, in many cases, geographically remote from the subject hereditament and located in materially different markets. In those circumstances, limited weight could be attached to them as indicators of the appropriate level of value for the locality.

38. The panel was also mindful that the Appellant's approach relied selectively on properties which had reduced between the 2010 and 2017 rating lists. The panel accepted the Respondent's submission that a proper consideration of tone requires an assessment of the

valuation landscape as a whole. It was not persuaded that focusing solely on hereditaments which had reduced, without regard to those which remained static or increased, provided a reliable basis for determining the correct assessment of the subject hereditament.

39. Greater weight was therefore attached to the Respondent's comparable evidence, which reflected properties of a similar scale and use and provided an indication of the prevailing tone of value within the locality. In particular, the panel was satisfied that the applied rates, when viewed against those of comparable industrial hereditaments, did not place the subject property outside the range of values adopted for similar premises.

40. The panel also considered the Appellant's submissions regarding the subject hereditament's location, including its rural setting, access arrangements, sloping topography and distance from the motorway network. While it accepted that these factors represented disadvantages when compared with some of the Respondent's comparables, it did not consider that the subject's location approximately 11 miles from the nearest motorway junction constituted a particularly unusual locational disadvantage for a heavy manufacturing facility.

41. The panel was persuaded that these locational and physical characteristics had already been appropriately reflected within the assessment through the application of allowances. Having regard to those adjustments, the resulting effective rate was not considered excessive and did not support the contention that the valuation was unreasonable.

42. Taking the evidence as a whole, the panel concluded that the assessment of the subject hereditament was not out of line with its peers and reflected the tone of values applicable to large manufacturing properties within the locality. The panel was therefore not persuaded that the main rate of £12.50 per square metre was excessive.

Conclusion

43. Accordingly, the appeal is dismissed.

Right of further appeal

44. 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) using Form T385 (Notice of appeal) within **four weeks** of the date this decision and statement of reasons was issued.

45. 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 HS Dhami, Senior Member (Presiding)
Mr PJ Ward, Senior Member
Ms S Bukhari, Member
22 April 2026

Miss S Brown, Clerk to the Tribunal
Date issued to the parties: 22 April 2026