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

Case No: CHG101208335

Sitting remotely using Microsoft Teams

Date: 23 September 2025

SCHEDULE 11 TO THE LOCAL GOVERNMENT FINANCE ACT 1988

RATING — Local Government Finance Act 1988 — Lotus and Delta v Culverwell (VO) and Leicester City Council [1976] RA 141 — Warehouse and premises — main space price — appeal dismissed

Before:
MR AMRAN HUSSAIN
MR CHRISTOPHER TAYLOR

Between:

ROLLTEK INTERNATIONAL LIMITED **Appellant**

- and -

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

Regarding:
UNIT 7, IO CENTRE, VALLEY DRIVE, RUGBY CV21 1TW
(the “subject property”)

Mr Christopher Cates of Ryan Property Tax Services UK Limited for **the Appellant**
Mr Tobias Simango of the Valuation Office Agency for **the Respondent**

Hearing date: 1 September 2025

DECISION AND STATEMENT OF REASONS

Decision

1. The appeal is dismissed.

2. The Tribunal finds that the rateable value was not unreasonable.

Introduction

3. The appellant had made a challenge against the accuracy of the compiled list assessment in the 2017 Rating List, by way of a proposal that he served on the Valuation Officer (VO) on 17 April 2024. After considering the proposal and evidence submitted during the challenge period, the VO decided that the proposal was well founded and agreed to reduce the assessment from £66,000 RV to £64,000. A decision notice to this effect was served on the appellant on 3 March 2025. His representatives then appealed the VO's decision to the Tribunal on 31 March 2025, on the grounds that the current valuation for the hereditament was not reasonable, under regulation 13A of the Non-Domestic Rating (Alterations of Lists and Appeals) (England) Regulations 2009.

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

Background

5. The subject property was a warehouse and premises, which included a Warehouse, grounds and first floor offices, a mezzanine floor for storage and 18 surfaced open spaces with an agreed total area of 1,180m². It was built in 2003 and was a steel portal framed construction with an eaves height of 6.1m.

6. Mr Cates appeared on behalf of the appellant as advocate. Mr Iles appeared on behalf of the appellant as expert witness. The clerk asked if there was a success related fee involved and if so whether its existence was compatible with his obligations to the tribunal as an expert. This question was raised in view of the Upper Tribunal's judgment in *Gardiner & Theobald LLP v David Jackson (VO)* [2018] UKUT 0253 (LC).

7. Mr Iles declared that he was instructed under a conditional fee arrangement in his role as expert witness. Mr Iles confirmed 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.

8. The panel accepted this expert witness evidence on the above basis as the appeal is not complex and to do otherwise would be contrary to regulation 3 (Discharge of VTE functions – general) of the Procedure regulations and is 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).

9. Mr Simango confirmed that he was representing the VO as advocate and expert witness.

10. The issue in dispute before the panel was the correct tone of value to be applied to the appeal property. Mr Cates sought a reduced entry of £50,750 RV from 1 April 2017 based on an unadjusted of value of £42/m².

11. However, Mr Simango defended the VO's assessment of £64,000 RV based on a tone of value of £53/m².

12. The evidence bundle before the panel comprised all of the evidence disclosed and exchanged during challenge which included the parties comparable assessments, skeleton

arguments, location maps and internal and external photographs of the appeal property and comparable properties.

Relevant Law

13. 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 –

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; and

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”.

Discussion

14. In accordance with the authoritative guidance in *Lotus & Delta v Culverwell (VO) and Leicester City Council* [1976] RA141, the rent on the appeal property is considered to be the correct starting point but, where available, rents on similar properties are also to be taken into account. The assessments on other comparable properties may also be relevant. All of the evidence can then be weighted.

15. The panel applied some weight to the rent for the subject property. The passing rent was £68,000 per year effective from 6 February 2014, although this was following a nil rent review and was therefore not a new tenancy coming fresh to the scene.

16. Mr Iles had argued that the passing rent for Unit 3 was the best evidence to determine the RV as it was a new letting six months before the Antecedent Valuation Date (AVD). Although the passing rent was £92,500 per year, Mr Iles submitted that the passing rent would need to be adjusted to reflect a number of items, such as £12,000 for roof repairs, £18,966 for a chemical resistant floor coating and £250,000 to instal a mezzanine floor and office space. In support of this Mr Iles provided an email from the occupants of Unit 3 which confirmed that:

   a. The installation of the chemical resistant floor coating, mezzanine floor and office space were at the tenants own cost;
   b. the chemical resistant floor coating did not need to be removed at the end of the lease;
   c. Mr Iles verbally confirmed that the mezzanine floor and offices would need to be removed at the end of the lease;
   d. they had a three month rent free period to offset the cost of the roof repair; and
   e. they benefited from a further period of 18 months at half rent

17. Mr Iles adjusted the passing rent to £79,449 per year which he analysed to £42.07/m².

18. It is generally accepted for Non-Domestic Rating that leases will incorporate a six month rent free period to enable a tenant to fit out a property and the more adjustments that are required, the less reliable the rent is. The unit had an area of 1,945m² which was nearly 800m² larger than the appeal property.

19. To test the reliability of Mr Iles' analysis of the passing rent for Unit 3, the panel considered the passing rents for other comparable properties. Most of the parties' comparable properties were not comparable to the subject property in terms of size. However, the panel noted that-

    a. Unit 7, Hadrians Way was 723m² and the passing rent was £33,450;
    b. Unit A at 1 Great Central Way was 1,229m² and the passing rent was £57,500;
    c. Unit 7, Triton Park was 847m² and the passing rent was £39,395; and
    d. Unit 1, Europark was 1,052m² and the passing rent was £56,500.

20. These passing rents had been analysed between £42.33/m² to £51.04/m². Both parties had analysed the rents to slightly different amounts although My Iles had analysed the rent for Unit A at 1 Great Central Way to £46.16/m² and the VO had analysed it to £83.08/m².

21. Whilst some of these properties were older, such as Unit A at 1 Great Central Way which had been built in 1989, during questioning the VO confirmed that there was no material difference between properties built in the late 1980s and the appeal property. Mr Simango also suggested that Europark may be a better location as it was located closer to the M6 and M1.

22. It was also confirmed during questioning that there was no evidence to suggest that a quantum allowance would apply to rents for this locality.

23. Given the above, the panel did find that the rents for the above comparable properties were broadly in line with the rent for the appeal property and for Unit 3 which supported Mr Iles' analysis of the rent for Unit 3 and therefore supported the subject property being assessed on the basis of a main space price of less than £55/m².

24. But, the panel was most persuaded by the VO's tonal evidence. Mr Simango produced 12 assessments which had been valued using a main space price at £55/m². His tonal evidence was from properties that were located very close to the subject property including Units 1 to 7 IO Centre. They ranged in size from 412 to 5,694m² which confirmed that there was no quantum allowance for properties in the locality.

25. The panel applied little weight to Mr Iles' argument that a tone had not been established. The panel came to this conclusion because ratepayers have had since 2017 to submit challenges. In *Pointer v Norwich Assessment Committee* (1922) 2 KB 471 it was held that "a settled tone over a period of time by agreement with, or a lack of challenge against the Valuation Officer's tone". This was supported by other judgments such as Futures (London) Ltd v Stratford (VO) [2006] RA 75. In particular paragraph 25, the Lands Tribunal member referred to the stages leading to the establishment of a 'tone of the list':

> "At first when a new rating list is put on deposit assessments will carry relatively little weight: they are opinions of value by the valuation officer as yet unchallenged and agreed or determined by a Valuation Tribunal or this Tribunal or accepted by lack of challenge. Finally, a stage will be reached

> when enough assessments have been agreed or determined or are unchallenged to establish a pattern of values, a tone of the list"

26. Although the panel accepted that there were initial delays in challenges being submitted, due to the changes in regulations from the 2010 to 2017 rating list, the panel was satisfied that as the 2017 rating list has now closed, there has been sufficient time for challenges and appeals against these assessments to be submitted and ultimately, the lack of challenges does establish a tone.

27. No evidence had been put to the panel from Mr Iles to demonstrate that a tone has not been established and to reduce one assessment would put the RV and the main space price out of kilter with all of the other assessments in the IO centre.

Determination

28. In view of the above findings and conclusions, the Tribunal was satisfied that the RV was reasonable as the subject property was valued in line with other similar units in the locality. The appeal is therefore dismissed.

Right of further appeal

29. 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.

30. 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)
Mr Christopher M Taylor, Senior Member
23 September 2025

Mr R Gath IRRV (Hons)
Clerk to the Tribunal
Date issued to the parties: 23 September 2025