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

Case No: CHG101208702
and CHG101209036

Sitting remotely using
Microsoft Teams

Date: 14 July 2025

SCHEDULE 11 TO THE LOCAL GOVERNMENT FINANCE ACT 1988

RATING — Local Government Finance Act 1988 — Lotus & Delta Ltd v Culverwell (VO) and Leicester City Council [1976] RA 141- rental evidence - tone of the rating list – office and premises

Before:
MS S BAINS
MR J P PERCIVAL

Between:

EVE TAYLOR (LONDON) LIMITED
ATLAS CARE SERVICES LTD — **Appellants**

- and -

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

Regarding:
1 -3 MALLARD BUSINESS CENTRE, MALLARD ROAD, PETERBOROUGH, PE3 8YR
and
SUITE 12 &14 GND FLR, 1 FLAG BUSINESS EXCHANGE, VICARAGE FARM ROAD, PETERBOROUGH PE1 5TX
(the “subject properties”)

Ms C Taylor of Ryan Property Tax Services UK Limited, for the Appellant
Ms K Cockhill, for the Respondent

Hearing date: 16 June 2025

DECISION AND STATEMENT OF REASONS

Decision

1. The appeals are dismissed.

2. The Tribunal finds that the entries in the 2023 rating list are reasonable.

Introduction

3. The appellants representative made a proposal on 18 April 2024, in relation to appeal CHG101208702, to challenge the entry in the 2023 Rating List of £69,500 with effect from 1 April 2023. On 19 April 2024, a proposal was made, in relation to appeal CHG101209036, to challenge the entry in the 2023 rating list of £16,250 with effect from 1 April 2023. The proposals sought a reduction to £53,250 and £14,250, respectively. The Valuation Officer (VO) did not find the proposals to be well founded, and Challenge decisions were issued on 14 November 2024 and 13 November 2024 reducing the valuations to £64,500 (CHG101208702) and £15,000 (CHG101209036). Appeals against both decision notices were received by the Tribunal on 22 November 2024.

4. Ms Cockhill stated that she was appearing as both Advocate and Expert Witness for the respondent.

5. In view of the Upper Tribunal's judgment in *Gardiner & Theobold LLP v Jackson (VO)* [2018] UKUT 0253 (LC), Ms Taylor declared that she was also appearing for the appellants in a dual role as Advocate and Expert Witness. She confirmed that her firm was instructed under a conditional or other success-based fee arrangement, but she understood her duty was to the Tribunal, regardless of whether the evidence supported her client's case.

6. 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 Valuation Tribunal for England (Council Tax and Rating Appeals) (Procedure) Regulations 2009 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). It was therefore appropriate for the panel hearing the evidence to consider the 'expert' evidence and assess what weight, if any, to give it in the context of the matters in issue before it.

7. As the appellants were represented by the same agent and there was some duplication in the submissions, the panel proposed that the appeals be heard together. No objection was raised to this approach so, with the consent of the parties, the panel heard the evidence on both appeals.

8. The hereditament at 1-3 Mallard Business Centre is a mix of two storey office accommodation with warehouse space on the ground floor. It was recorded as having a total floor area of 1000.06m^2. The hereditament at Suite 12 & 14 Ground Floor, 1 Flag Business Exchange is valued as offices and premises with a total floor area of 164.63m^2. There was no dispute on the survey data for these appeals. The sole issue in dispute for both appeals was the tone of the rating list and the correct unit price per m^2 to be applied to the valuations.

9. The issue to be determined by the Tribunal was the correct valuation in the 2023 rating list. The material day on which to consider the properties and their locality was 1 April 2023, as

these were challenges to the compiled list entry. The properties must be considered with regard to values on the antecedent valuation date (AVD) of 1 April 2021.

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

Relevant Law

11. The subject properties must be valued by the statutory assumptions set out in in Schedule 6 to the Local Government Finance Act 1988 as follows:

“(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.”*

12. The panel had regard to the Lands Tribunal judgment of *Lotus & Delta Ltd v Culverwell (VO) and Leicester City Council* [1976] RA 141, mentioned in the parties’ submissions, which provided guidance on the weight to be attached to different forms of evidence.

Discussion

13. Ms Taylor stated that both the subject properties were valued at £100/m^2. There were two schemes, both with the same description, with one scheme covering 186 properties and the other 33 properties. All hereditaments within those schemes were valued at 100/m^2 and she questioned how this could be correct when the properties varied so much in size and quality. Ms Cockhill contended that the unit price for the subject properties had been reduced from £100/m^2 to £92.50/m^2 in the Challenge decisions and she defended the revised valuations in the list. Ms Taylor sought a reduction to £82/m^2 for the Mallard Business Centre property and £87.50/m^2 for the offices at 1 Flag Business Exchange.

14. The panel found that in valuing these hereditaments, the starting point must be any rent passing on those properties in accordance with *Lotus & Delta*. 1-3 Mallard Business Centre was occupied on a freehold basis, so there was no passing rent.

15. In the case of Suite 12 & 14 Ground floor, 1 Flag Business Exchange, the appellant had been in occupation since 2012 and the lease was renewed in February 2022, effective from 1 October 2021, at £17,570 per annum. Ms Taylor submitted that, as the lease was a renewal rather than a new letting, this rent was less valuable as an existing tenant would pay more to continue occupation than a new tenant. She highlighted that the appellant had extended the lease up to October 2021 and agreed to a rent of £23,750 at that time, which was higher than

the valuation in the 2017 rating list of £11,500. Ms Taylor suggested this indicated the VO accepted the rent was higher than market value. However, Ms Cockhill submitted that the Form of Return indicated the October 2021 rent was negotiated on an open market value and the valuation in the list is less than the rent agreed shortly after the AVD, so it was reasonable.

16. The panel then considered the comparable properties and rental evidence presented by the parties. There were other rents on the Flag Business Exchange. 1st Floor, 10 Flag Business Exchange was a new lease from January 2021 at £15,950 per annum. This analysed to £82.17/m^2. Ground floor 10 Flag Business Exchange was subject to a lease agreed effective from January 2021 at £16,000 for the first year, followed by four years at £16,750 per annum. This rent was analysed to £91.11/m^2.

17. Ms Taylor also cited a rent on 2C Flag Business Exchange analysing to £78.40/m^2, but the VO contended there was insufficient information about this rent to analyse. 9 Flag Business Exchange was a new let from January 2020 at £15,000 per annum, which analysed to £93.42/m^2. Ms Taylor pointed out that this property was later sub-let for £18,000 per annum.

18. Suite 17 Olympus House, Staniland Way, Peterborough PE4 6NA was referenced as a lease renewal effective from January 2022 at £15,890 per annum. Ms Taylor analysed this rent to £80.76/m^2. A new let from December 2019 was presented on 12 Papyrus Road, Peterborough. The rent on this property was £17,334 for 2.25 years, £18,942 for three years, £20,698 for three years, and £22,618 for one year. After adjustments, the VO presented an adjusted rent of £16,334, analysed to £103/m^2. Ms Taylor analysed the rent to £94.96/m^2.

19. The panel noted that all the comparable properties cited by the parties were valued at £100/m^2, regardless of the analysis of their respective rents. The closest rents to the AVD were those of 1st floor and Ground floor at 10 Flag Business Exchange in January 2021, which analysed to £80.46/m^2 and £91.11/m^2, respectively. Both were comparable in size and the same location as the subject property. These examples suggested to the panel that the tone of £100/m^2 originally applied to the subject property at 12 &14 Ground Floor, 1 Flag Business Exchange was not supported. Less weight was placed on Suite 17 Olympus House (£80.76/m^2) and 12 Papyrus Road (£94.96/m^2) as the panel considered the more useful rents were those on the same site as the subject property. The analysis of the January 2020 rent on 9 Flag Business Exchange (£93.42/m^2) supported the VO's revised valuation based on £92.50/m^2.

20. In the case of Suite 12 & 14 ground floor, 1 Flag Business Exchange, the panel found that the rent passing on the property was the best evidence. The rent was agreed only six months after the AVD and analysed to £106.76/m^2 according to Ms Taylor. She contended that the appellant paid an inflated rent to continue occupation, and a new lease would have been negotiated for less. However, the panel noted the new lease on Ground Floor, 10 Flag Business Exchange, analysed to £91.11/m^2, suggesting the valuation of Suite 12 & 14 at £92.50/m^2 was reasonable. While the 1st floor of 10 Flat Business Exchange analysed lower, the new letting on 9 Flag Business Exchange, analysed to £93.42/m^2, albeit over a year prior to the AVD. On balance, the panel was content that the subject property's rent provided the best evidence, and it analysed to a figure above the VO's revised valuation, which the panel considered reasonable.

21. Turning to the other subject property, 1-3 Mallard Business Centre, the panel noted there was no rent passing on this hereditament as it was occupied on a freehold basis. No rents were provided from the Mallard Business Centre for comparison. The parties relied on the same

rents already considered for Suite 12 & 14 ground floor, 1 Flag Business Centre. Ms Taylor submitted that, as 1-3 Mallard Business Centre is a much larger property at around 1000m^2, a lower rate of £82/m^2 should apply due to the principle of quantum. In support of this argument, she referred the panel to the example of Enterprise House, 34 Papyrus Road, Peterborough. In the 2017 rating list this property, measuring 151.50m^2, was valued at £94.39/m^2 and the much larger 1-3 Mallard Business Centre valued at £90/m^2. Enterprise House was valued at £87.50/m^2 in the 2023 list and, by applying the same percentage difference, Ms Taylor contended 1-3 Mallard Business Centre should be valued at £82/m^2.

22. While the panel noted Ms Taylor's comments regarding the percentage difference between the valuation for Enterprise House and 1-3 Mallard Business Centre, it was not persuaded this was particularly useful as evidence. It was clear that the offices at Enterprise House were much smaller, but they were also in a different location. The panel found that evidence of rents from the Mallard Business Centre would have more clearly demonstrated whether the size of the hereditament had a significant effect on rental values in the business centre. There were no rents presented on properties comparable in size to 1-3 Mallards Business Centre to demonstrate the value of larger hereditaments.

23. It was shown that Enterprise House was valued higher than 1-3 Mallard Business Centre in the 2017 rating list. However, the panel was mindful that the starting point for any 2023 rating list entry must be evidence which relates to the AVD, 1 April 2021, rather than from the previous rating list, as this was sourced from an entirely different pool of rental information. The passing rents are considered afresh at a revaluation when the VO seeks to establish a tone of values. The point of a revaluation is to re-assess the demands of the hypothetical tenant and movements in the market leading to changes in rents. The panel attached no weight to the comparisons between lists.

24. After considering the evidence presented by the parties, the panel was not persuaded that the valuations for either 1-3 Mallard Business Centre or Suite 12 & 14 ground floor Flag Business Exchange were unreasonable. The rents presented from the Flag Business Exchange appeared to generally support the revised rate used by the VO in the challenge decision and there were no rents on comparable properties to 1-3 Mallard Business Centre to demonstrate the likely rental level or evidence that quantum applied in the locality. The burden of proof in this type of appeal rests with the appellants to show the valuations are not reasonable and the panel did not find this had been evidenced in these appeals.

Determination

25. In view of the above findings and conclusions, the Tribunal is satisfied that the valuations shown in the 2023 rating list following the challenge decisions are reasonable and the appeals are dismissed.

Right of further appeal

26. 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.

27. 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/.

Ms S Bains, Senior Member (Presiding)

Mr J P Percival, Senior Member

14 July 2025

Mrs A Sloan
Clerk to the Tribunal
Date issued to the parties: 14 July 2025