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

Case No: CHG101211606

Sitting remotely using Microsoft Teams on 20 May 2026

Date: 1 June 2026

SCHEDULE 11 TO THE LOCAL GOVERNMENT FINANCE ACT 1988

Non-domestic rating appeal; 2017 Rating List; television studio and premises; tone of value of main space; appeal allowed-in-part.

Before:

MS T SHAAH
MR AN BACKWAY

Between:

BRITISH BROADCASTING CORPORATION — **Appellant**

- and -

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

Regarding:

2, ST PETERS SQUARE, LEEDS LS9 8AH
(the "subject property")

Mr J Willoughby of BNP Paribas, for the **Appellant**
Mr P Hunter for the **Respondent**

DECISION AND STATEMENT OF REASONS

DECISION

1. The appeal is allowed-in-part.

2. The panel determined the rateable value (RV) of the subject hereditament to be £310,000 with effect from 1 April 2017.

STATEMENT OF REASONS

Introduction

3. This appeal has been brought in respect of 2, St Peters Square, Leeds LS9 8AH (the “subject property”), which was entered in the 2017 rating list as ‘television studio and premises’ at RV £335,000, effective from 1 April 2017

4. In accordance with regulation 13A of the Non-Domestic Rating (Alteration of Lists and Appeals) (England) Regulations 2009, an appeal was made to the Valuation Tribunal for England (VTE) on behalf of the British Broadcasting Corporation. The appeal was made because the appellant did not agree with the Valuation Officer’s decision to alter the 2017 rating list to £325,000 following the challenge. The appellant sought a reduction to RV £260,000 with effect from 1 April 2017.

5. The appellant’s representative, Mr Willoughby, when appearing as expert witness, stated that he was on a conditional fee arrangement. However, he also stated that he understood and accepted that his first duty was to the VTE in giving his evidence, whether or not the evidence supported his 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).

7. It was therefore appropriate for the panel to consider the ‘expert’ evidence and assess what weight, if any, to give it in the context of the matters in issue before it.

8. Mr Hunter stated that he was appearing as both expert witness and advocate.

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

Background

10. The appeal property comprises radio and television studios together with associated support and office accommodation. It forms a major part of a four-storey building developed circa 2003. The property is located on the fringe of Leeds city centre across the ‘Leeds City Loop’, close to the West Yorkshire Playhouse in an area which is in ‘transition’, with new buildings in arts/culture use alongside disused and derelict buildings. The accommodation is air conditioned and benefits from raised floors. An eight-person passenger lift and a goods lift

serve ground to second floor. The property has an area of 2024.9m^2 and benefits from 13 car parking spaces.

11. The appeal to the VTE was made on the grounds that the valuation for the subject property was not reasonable.

12. The base level of value adopted for the subject property was not agreed. The valuation officer had adopted £150.00/m^2. In making the proposal the appellant's representative had sought a base rate of £120/m^2 resulting in an RV of £260,000. However, having reconsidered the valuation just prior to the hearing Mr Willoughby (who hadn't prepared the case pack) sought a reduction to £141.80/m^2 in his revised analysis which resulted in a rateable value of £310,000.

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;

    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. The panel had to determine the rateable value for the subject property, which represented a rent that a hypothetical landlord and tenant would agree, as at the antecedent valuation date (AVD), 1 April 2015. This common date was used to ensure that every property was treated in a consistent way.

15. The Lands Tribunal judgment in *Lotus and Delta* v *Culverwell (VO) and Leicester City Council* [1976] RA 141 provided authoritative guidance on the weight to be attached to rental and assessment evidence. The rent on the subject property was considered to be the correct starting point but, where available, rents on similar properties were also to be taken into account. The assessments on other comparable properties may also be relevant. All of the evidence could then be weighted.

16. The panel noted that in this appeal the subject property is held leasehold, initially it was a 25-year lease from 25 March 2003 at a commencing rent of £270,153 per annum payable from 4 June 2003, after a rent-free period of a little over two months. Under the terms of the lease

the rent was to be reviewed every five years, according to a formula and was increased to £356,328 per annum on review with effect from 25 March 2008. The rent was not increased in 2013. In 2017 and 2018 the lease was varied to include: removal of the tenant's option to determine in 2021; reversionary lease from 25 March 2028 to 30 January 2032; and variations to the rent review clause making it more formulaic. At this time the rent was discounted to £313,398 per annum. The current rent is £338,250 per annum effective from 25 March 2023. Neither party attached any weight to the subject rent.

17. In making his submission Mr Willoughby accepted that the comparable properties referred to in his pack Unit 2c The Gateway East, Marsh Lane, Leeds LS9 8AU, and Ground, 1st, 3rd, 4th Floors, Fearns Wharf, Neptune Street, Leeds LS9 8P, were inferior to the subject property and did not support a reduction to £120/m^2. He based his case on the declining value of office space in Leeds.

18. Mr Willoughby stated that when the property was valued for the 2017 rating list at £335,000 RV, the 2010 rating list assessment stood at £365,000 RV, an assessment which was subject to appeal. He argued that when setting values for the 2017 list the Valuation Officer's general view, was that the 2017 rating list assessment should show a circa 10% fall from the 2010 rating list assessment, consistent with the general movement in office values. He stated that this was evidenced in the Valuation Officer's valuation which was included in the pack. The panel noted that on the on the Non Bulk Valuation Sheet it was stated that "2017 office values are down by 10%". In October 2017, the 2010 rating list assessment was agreed, at a reduced level of £345,000 RV, Mr Willoughby argued that the same approach should be applied and the 2017 rating list assessment should be reduced to circa £310,000 Rateable Value, showing a circa 10% fall. The panel noted that evidence had been provided to show the percentage fall in RVs of offices between the 2010 and 2017 rating in the LS9 postcode area, comparing the current 2017 assessment to the 2010 list assessment. The panel found this evidence supported Mr Willoughby's argument that there had been a reduction in RVs between the lists.

19. Mr Hunter argued that the correct way to ascertain the RV of the subject property was to apply the principles as outlined in *Lotus and Delta* v *Culverwell* and therefore referred to rental evidence. In particular, he referred to Sky 2, Leeds Dock, Leeds LS10 1PZ. The panel noted that this was a new open market letting agreed close to the AVD on 20 July 2015, it was a similar size to the subject property and was situated in a similar location. The tone adopted for this property was £150/m^2. The panel found this to be useful evidence, but it noted that this was a new build property and would therefore be likely to command a higher rent than the subject property. It also noted that this property was situated in a different postcode area. Furthermore, it was agreed the area of the BBC was under a great deal of transition, Mr Hunter in his e-mail of 13 August acknowledges the docks area is far more developed.

20. Mr Hunter had also provided evidence of one settlement; this was a challenge which had been withdrawn for 1st Floor Wellington place Leeds LS1 4AP and had an adopted tone of £209.88/m^2. The panel noted that this property was more centrally located in LS1 and was described as 'somewhat more modern' the panel did not find this evidence useful.

21. Having had regard to the full basket of evidence and the arguments submitted by the parties the panel found Mr Willoghby's argument to be the more persuasive, in that the tone of £150.00/m^2 was unreasonable. It determined that an RV of £310,000 based on £141.80/m^2 was fair and reasonable as follows:

Valuation — **Base / Adopted Rate** £ 141.80

Item	Description	Area m2	Relativity	£/m2	Value
1	Reception	66.60	1.00	141.80	£9,443.88
2	Studio	6.40	1.20	170.16	£1,089.02
3	Post room and stores	129.40	1.00	141.80	£18,348.92
4	News room	817.00	1.00	141.80	£115,850.60
5	Studios Radio	124.80	1.20	170.16	£21,235.97
6	Offices	792.50	1.00	141.80	£112,376.50
7	Studios TV	88.20	1.30	184.34	£16,258.79
8	car parking spaces	13.00	1.00	1200.00	£15,600.00
9					
10					
				Subtotal	**£310,203.68**
				Total	**£310,203.68**
				Say RV	**£310,000**

Conclusion

22. In view of the above findings and conclusions, the appeal was allowed in part.

Order

23. The Tribunal Panel orders under the provisions of regulation 38(4) of The Valuation Tribunal for England (Council Tax and Rating Appeals) (Procedure) Regulations 2009, the Valuation Tribunal for England orders the Valuation Officer to amend the entry in the rating list to show a revised assessment of £310,000 RV for the subject property, with effect from 1 April 2017.

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

Refund of a fee

25. The appellant is also entitled to a full refund of the fee paid in accordance with regulation 13E(1)(a) of the Non-Domestic Rating (Alterations of Lists and Appeals) (England) Regulations 2009 (as amended) provided there is no review of the Tribunal's decision. The refund will take around six weeks to process

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) using Form T385 (Notice of appeal) within **four weeks** of the date this decision and statement of reasons was 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 T Shaah, Senior Member (Chair)
Mr AN Backway, Senior Member
1 June 2026

Mrs H Beresford
Clerk to the Tribunal
Date issued to the parties: 1 June 2026