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

Case No: CHG101212719

Sitting remotely using Microsoft Teams on 16 April 2026

Date: 19 May 2026

SCHEDULE 11 TO THE LOCAL GOVERNMENT FINANCE ACT 1988

RATING — Local Government Finance Act 1988 — racing stables and premises; accuracy of the rateable value in the list; box price and timber boxes allowance in dispute; rental evidence; comparable assessments; appeal dismissed.

Before:

MRS A FIELDER
MS E MILLER

Between:

PHILLIPS RACING LTD — **Appellant**

- and -

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

Regarding:

ADDLESTROP STABLES, MORETON-IN-MARSH, GL56 0YN
(the “subject property”)

Mr C Marriott from Marriott Brown Ltd, representing the Appellant
Mr J Eddy (Advocate) and Mr R Albert (Expert Witness) for the Respondent

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DECISION AND STATEMENT OF REASONS

DECISION

1. The appeal is dismissed.

2. The Tribunal confirmed the rateable value (RV) of the subject property at £25,500 with effect from 1 April 2017.

STATEMENT OF REASONS

Introduction

3. This is a 2017 rating list appeal brought in respect of Adlestrop Stables, Moreton-in Marsh, GL56 0YN (the subject property), a racing yard licensed by the British Horseracing Authority. The subject property comprises of 16.25 acres of land, stables and ancillary buildings, horse walker and domestic accommodation.

4. When the subject property first entered the list, it included 46 stables, 5 furlong all weather gallop and outdoor horse walker with 5 bays. The stables (boxes) were valued at £675, with a total RV of £34,500. Following an Upper Tribunal decision, the Valuation Officer reduced the box price to £600, which resulted in a revised assessment at £29,500 RV.

5. On behalf of the appellant, Mr Marriott submitted a check which disputed the RV of £29,500 and sought a reduction to £23,750 RV. An inspection on 27 April 2023 identified that the outdoor arena and jump paddocks were not included in the assessment, and also that those items and the gallops were not contiguous with Adlestrop Stables. The assessment was therefore split into three, forming Adlestrop Gallops and Arena, Adlestrop Jump Paddock and Adlestrop Stables with effect from 1 April 2017.

6. The new rating assessment for Adlestrop Stables consisted of 47 boxes and a horse walker with a total RV of £26,250. The appellant's challenge submitted on 15 April 2024 sought a revised RV of £23,500. In response, the Valuation Officer issued a decision notice on 9 October 2025 which disagreed with the proposed alteration of the list, but confirmed a revised RV of £25,500, to reflect the number of boxes which had been agreed.

7. In accordance with regulation 13A of the Non-Domestic Rating (Alteration of Lists and Appeals) (England) Regulations 2009, the appeal to this Tribunal has been made on the grounds that the valuation for the hereditament is not reasonable. The appeal lodged by Mr Marriott on behalf of the appellant sought a revised RV of £23,000.

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

Preliminary issues

9. Following receipt of the Valuation Officer's objection to additional evidence contained within the appellant's appeal submission, a Senior Member had determined that additional evidence contained within the appellant's submission should be included in the proceedings.

10. Prior to the hearing, the Valuation Officer had requested the addition of late evidence in the form of an agreement in respect of a comparable property. Mr Marriott confirmed that he did not object and provided background information.

Relevant Law

11. Rateable value is determined in accordance with paragraph 2(1) of Schedule 6 to the Local Government Finance Act 1988, which provides:

    “(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. 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).

13. 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.

14. The following cases were cited by the parties:

    Lotus and Delta v *Culverwell (VO) and Leicester City Council* [1976] RA 141

    Simon Earle Racing Ltd and Dal Virk (Valuation Officer) [2022] UKUT 311 (LC)

    Joanne Moore (Valuation Officer) v Caroline Bailey [2024] UKUT 304 (LC)

    P J Hobbs v Alison Gidman (Valuation Officer) [2017] UKUT 63 (LC)

    Emma Owen v Dawn Bunyan (Valuation Officer) [2025] UKUT 42 LC

Discussion

15. The issues in dispute for determination by the panel concerned the box price to be applied and whether an increase in the timber boxes allowance was warranted. The case for the appellant was that the box price should be reduced from £600 to £550, and that an increase from 5% to 10% should be applied to the timber boxes.

16. The relevance and analysis of the subject rent was not agreed by the parties.

17. The Lands Tribunal judgment in *Lotus and Delta* v *Culverwell (VO) and Leicester City Council* 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 considered. The assessments on other comparable properties may also be relevant. All of the evidence could then be weighted

18. Mr Marriott submitted that the subject rent provided the best guide to value as an open market rent. He explained that the original lease was for 30 years from 1 April 2003, with the rent subject to fixed increases for the first 6 years. Thereafter it was reviewed to open market value at quinquennial intervals. However, by a deed of variation dated 7 January 2010, the terms were altered so that the rent became fixed for the first 11 years, with reviews to "the greater of the amount of the Basic Rent payable during the twelve months immediately preceding the review date…and the open market rent for the Premises at the review date." The pre-determined rent for the 11th year, from 1 April 2013 to 31 March 2014, was £34,500, and, therefore, the first review to open market value was for the year beginning 1 April 2014, one year prior to the AVD.

19. In his analysis of the lease, Mr Marriott applied the greatest weight to what he considered to be the most important element, the stables, before addressing the value of the secondary facilities. His adopted value of £535 per box was arrived at by applying a 15% discount to the £630 per box adopted for Jackdaw's Castle; described by Sir Anthony McCoy as "the finest training establishment in Europe."

20. The secondary facilities were analysed as follows:

Gallops

£500 - as an area of land included within the lease, 2.5 acres valued at £200 per acre.

Residential accommodation

£19,000 – based on £550 per calendar month for the 3 bedroom flat and £700 for the 2 bedroom flat.

Valuation of land

£2,325 – based on 15.5 acres of land at £150 per acre.

Number of boxes

Based on a total of 28 boxes, but Mr Marriott now agreed that 30 boxes were included in the lease.

21. While Mr Marriott maintained that the subject rent supported £535 per box, he recognised that £550 per box had been agreed for yards in the Midlands and many neighbouring counties, and this had therefore been adopted in his proposed valuation at £23,000 RV.

22. On behalf of the Valuation Officer, Mr Eddy contended that limited weight should be applied to the subject rent, as it had been established five years prior to the AVD and required significant adjustment. However, for completeness, an analysis was provided. In line with the

basis of valuation outlined in the Rating Manual, and the Upper Tribunal decision of *Simon Earle*, the Valuation Officer submitted that the correct approach was to analyse the rent by first deducting domestic accommodation and external repairs. The second part of the devaluation is to strip out all other items until a figure is left for the boxes. The Valuation Officer's approach to analysis differed from Mr Marriott's as follows:

Gallops

With reference to paragraph 3.27 of the lease, this was a tenant's improvement and so should not form part of the analysis.

Residential accommodation

With reference to ONS data, Residata and rental evidence for flats in the locality, the Valuation Officer arrived at a total of £19,140 per annum, based on £725 per calendar month for the 2 bedroom flat and £870 for the 3 bedroom flat. In response to Mr Marriott's reference to section 5A of the Rating Manual, the Valuation Officer provided alternative valuations at 100% (£76.13 per box), 75% (£238.63 per box) and 50% (£399.10 per box).

Valuation of land

In accordance with the lease, 36.4 acres of land valued at £200 per acre.

23. In arriving at the decision that little weight could be attached to the subject rent, the panel was not persuaded that it reflected an open market rent at the AVD. The panel heard from the Valuation Officer that the deed of variation was determined on 7 January 2010 with upward only rent reviews from 2009 to 2013 at £32,500, then £33,000 on 1 April 2010, £33,500 on 1 April 2011, £34,000 on 1 April 2012, and £34,500 on 1 April 2013. On 1 April 2014 the rent remained at £34,500. With reference to clause 7.2 of the lease, the rent was stated to be the greater of the current rent or the open market rent. The rent did not increase on review and the stepped rent was agreed when the deed of variation was signed; it was therefore a 2010 not a 2014 figure.

24. The panel also considered that Mr Marriott's approach to rental analysis was inconsistent with the approach adopted by the Valuation Officer as outlined in the Rating Manual, and applied in the Upper Tribunal decision of *Simon Earle*. The purpose of the analysis was to arrive at an end value for the box, however, Mr Marriott had determined his own value at the start.

25. Mr Marriott had cited other rental evidence in respect of Noel William Racing at Churn Farm. He stated that this was an open market rent from 2016 which had been renewed at a lower figure in 2019, 2021 and 2024. His original analysis at £325 per box had been revised to £468.50. The Valuation Officer commented that the grazing area had not been confirmed in the lease, and therefore it had not been possible to provide an accurate devaluation. With no grazing area, the box price analysed at £160; with a grazing area, the box price analysed at £136.12.

26. Due to the number of adjustments required to both rents, together with the consideration that they did not necessarily reflect open market values at the AVD, the panel found that the most appropriate evidence was drawn from comparison with comparable assessments and

consideration of an established tone. This was the approach adopted by the Upper Tribunal in *Simon Earle*, having determined that the rental evidence should hold little to no weight:

"The approach to the valuation of racing yards preferred by the respondent is to adopt a tone for the stables based wholly on location. This seems to have resulted in the use of a figure of £550 per stable across a swathe of the Midlands including Staffordshire, Herefordshire and Worcestershire. The approach elsewhere appears more nuanced with a tonal range of £525 to £675 for locations other than Mr Marriott's 'top racing centres'. Nothing can be drawn from any other assessments in Wiltshire as none of them have been determined or agreed. It seems sensible therefore to look to the nearest counties and these are Somerset, where the tone is £525-£575 (the latter figure relates to sites near the border with Wiltshire), Hampshire which has a tone of £675 and Dorset where it is £550. I do not have any information to confirm how many assessments have been settled and I can therefore only adopt Mr Albert's figures at face value. However, I note that Mr Marriott did not dispute them."

27. The Upper Tribunal case of *Emma Owen v Dawn Bunyan (Valuation Officer)* had also been cited by the Valuation Officer in support of adopting a tone based on location.

28. In support of the adopted box price of £600 for the subject property, the Valuation Officer referred to the following comparable assessments:

Jackdaws Castle, Ford, Cheltenham, Gloucestershire, GL54 5XU

A box price of £630 was agreed at the challenge stage. This property is located 11 miles from the subject property and approximately 15 miles from Cheltenham.

Henry Candy Kingston Warren Stables, Kingston Lisle, Wantage, Oxfordshire, OX12 9QF

A box price of £630 was determined at challenge, and had not been appealed. This property is located 36 miles from the subject property.

The Stables at Hull Farm, Chipping Norton, Oxfordshire, OX7 5QF

The box price had been agreed at £600 on 30 November 2025, following the issue of the decision notice. This property is located six miles away from the subject property.

29. The Valuation Officer also cited a schedule of comparable assessments, some of which had been agreed with Mr Marriott for headline stable prices of £630, and others that had not been challenged in the 2017 list with headline stable prices of £600 or £630 within the locality. It was stated in the Valuation Officer's Decision Notice that the only outstanding challenges/appeals in the 2017 list nearby were for Noel Williams Racing and Ben Paul Racing. It was confirmed that there had since been an agreement for Ben Pauling Racing at £630. This property was located 8.5 miles away from the subject property.

30. The Valuation Officer referred to the Upper Tribunal case of *O'Brien v Harwood* RA/22/2002, which had determined the three stages leading to the establishment of 'tone of the list'.

"There are three stages leading to the establishment of tone of the list. At first, when a new rating list is put on deposit, entries will carry relatively little weight: they are opinions of value

by the valuation officer, as yet unchallenged and untested by negotiation. Over time assessments will be challenged and agreed or determined by an LVT or this Tribunal or accepted by lack of challenge. Finally, a stage is reached where enough assessments have been agreed or determined or are unchallenged to establish a pattern of values, a tone of the list. The list is then said to have settled. Rents will be largely subsumed into assessments. At that stage rating surveyors will have little regard to rents and pay considerable attention to assessments. The position regarding tone of the list at any particular time is a question of fact. When an assessment is challenged before a tribunal the correct time for deciding whether a tone of the list has been established is immediately before the hearing."

31. In *Simon Earle*, £550 per box had been determined for Lower Barn at The Beeches in Warminster. The Valuation Officer highlighted that Lower Barn is located 74 miles away from Cheltenham racecourse and that there are fewer licenced trainers in the vicinity. In contrast, the subject property is in a racing location, near other trainers and only 20 miles from Cheltenham racecourse. As Mr Marriott appeared to accept that Cheltenham is the centre of National Hunt Racing, the panel found that his proposed £550 per box did not reflect the tonal and settlement evidence within the locality. The panel therefore determined that the present value of £600 per box was reasonable.

32. The panel then turned to the second issue in dispute, whether an increase in the timber boxes allowance from 5% to 10% was warranted.

33. In support of an increased allowance, Mr Marriott cited examples from Cheshire and Yorkshire for which a 10% allowance had been applied to the timber boxes. He contended that the sole reason for the accepted discount of at least 10% is due to the fact that horses kick and chew and cause far more damage to timber than to brick, stone or concrete. Timber boxes are also more expensive to maintain, due to the requirement to treat the timbers regularly inside and out with preservative, and replacement of roofing materials.

34. The Valuation Officer did not accept that a blanket 10% allowance should be given to all boxes that are of timber construction. The allowance is for quality in relation to the best boxes on the individual sites. The Valuation Officer considered that the best boxes at the subject property are in the Office Yard and Under Flats at £600. On inspection in August 2025, the quality of the timber boxes was noted, and there was no reason why their quality would be worse at the material day, eight years prior. It had been accepted that they were not as good as the Office Yard, and so 5% was given. The American Barn was given 5% in line with Simon Earle and a further 5% for poor light. The Under Eaves had been given 5%.

35. The Valuation Officer had stated that regarding allowances, each case must be considered on its own merits, as confirmed in *Joanne Moore (Valuation Officer) v Caroline Bailey:*

    "Mr Marriott also supplied examples of other establishments which he said were occupied on the same or similar basis to the Farm in this case. The information provided lacked the detail required for a proper comparison to be made but in any case, the correct approach for the Tribunal in this instance is to apply the law to the facts of this case as it finds them. The practice of the VO in other selected cases is not relevant to that exercise."

36. While the panel acknowledged that 10% allowances had been applied to timber boxes elsewhere, there was no compelling evidence provided to show why the timber boxes at the subject property warranted a higher allowance.

37. The panel concluded that the appellant's representative had failed to demonstrate that the box price of £600 was excessive, and that a higher allowance of 10% should be applied to the timber boxes.

Conclusion

38. In view of the above findings and conclusions, the Tribunal was satisfied that the RV of the subject property at £25,500 was not unreasonable and therefore the appeal was dismissed.

Right of further appeal

39. 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.

40. 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/.

Mrs A Fielder, Senior Member
Ms E Miller, Member
19 May 2026

Mrs L Horne
Clerk to the Tribunal
Date issued to the parties: 19 May 2026

Addendum

Following the release of the panel's decision on 13 May 2026, the respondent drew the Tribunal's attention to a clerical error in paragraph 18 of the decision. The original decision incorrectly stated that "the pre-determined rent for the 11th year, from 1 April 2023 to 31 March 2014, was £34,500. The correct start date was 1 April 2013. The decision record was corrected accordingly altered, following authorisation by the Chairman under Regulation 39 of the Valuation Tribunal for England (Council Tax and Rating Appeals) (Procedure) Regulations 2009,