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

Case No: CHG101223822

Sitting remotely using Microsoft Teams on 29 May 2026

Date: 16 June 2026

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 — Flight Centre (UK) limited v Ricketts (VO) [2021] UKUT 0315 (LC) — *Futures (London) Ltd v Stratford (VO)* [2005] RA 75 — *Restaurant and premises — main space price — appeal dismissed*

Before:

MRS M CHAGGAR
MISS E CROSS
MR S GILL
Between:

NUCLEUS (GB) LIMITED — **Appellant**

- and -

AMANDA HITCHINGS (VALUATION OFFICER) — **Respondent**

Regarding:

MCDONALDS, BURN ROAD, HARTLEPOOL TS25 1PN
(the “subject property”)

Mrs Elizabeth Draycott for **Ryan Property Tax Services** for the Appellant
Mr Jantzen Pang for the **Respondent**

DECISION AND STATEMENT OF REASONS

DECISION

1. The appeal is dismissed.

2. The Tribunal finds that the rateable value (RV) for the subject property was not unreasonable.

STATEMENT OF REASONS

Introduction

3. The appellant company had made a challenge against the accuracy of the compiled list assessment for the subject property in the 2023 Rating List, by way of a proposal that was served on the Valuation Officer (VO) on 29 May 2024. After considering the proposal and evidence submitted during the challenge period, the VO decided that the proposal was not well founded.

4. A Decision notice to this effect was served on the appellant company on 27 November 2025. The appellant company then appealed the VO's decision to the Tribunal on 23 December 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.

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

Background

6. The subject property was a purpose built, single-storey fast food restaurant with a drive through facility, with an agreed total area of 410.19m² as a result of the addition of a chiller/freezer area. It was owned by the appellant company. The RV was £113,000 and had been valued based on an area of 399m² with a main space price of £300/m². However, due to the addition of the chiller/freezer area Mr Pang was seeking the Tribunal to increase the RV to £120,000. Mrs Draycott was seeking a RV of £99,500 based on a main space price of £255/m^2. The subject property benefited from a 5% size allowance.

7. The evidence bundle before the panel comprised all of the evidence disclosed and exchanged during challenge which included both parties' comparable assessments, skeleton arguments, external photographs of the subject property and Mrs Draycott's comparable properties.

8. Mrs Draycott appeared on behalf of the appellant as advocate. Mr Pang confirmed that he was representing the VO as advocate and expert witness.

Preliminary issue

9. Mr Pang had raised a preliminary issue, which was the size of the subject property. The VO's records had the subject property with a size of 399/m^2. However, following an inspection of the subject property, the VO had identified that an internal and external chiller had been added to the subject property. He suggested that they had both been added in October 2022.

10. Mrs Draycott agreed that the internal chiller was in situ in October 2022 but when Mrs Draycott had inspected the subject property on 6 January 2023, the external chiller was not

in place. She had not been able to ascertain when the external chiller had been added to the subject property.

11. Given that Mrs Draycott had agreed that the size of the subject property was 410.19/m^2 and there was no evidence to demonstrate when the external chiller was added, the panel was satisfied that the size of the subject property was 410.19/m^2.

12. For 2023 rating list appeals the Antecedent Valuation Date (AVD) is 1 April 2021. The material date for the subject properties was 1 April 2023.

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 the appeal under consideration, firstly, the panel analysed the competing evidence having regard to the authoritative guidance in *Lotus & Delta v Culverwell (VO) and Leicester City Council* [1976] RA141 dated 20 May 1976. Rent on the subject 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. However, as the subject property was owned freehold by the appellant company, there was no rental evidence for it.

16. In the absence of any rental evidence for the subject property, Mrs Draycott had referred to the rent for four other properties. They ranged in size from 186m^2 to 371m^2. She had analysed the rents to between £291.99/m^2 to £303.77/m^2. However, the panel applied less weight to the rental evidence for Tim Hortons and Greggs Drive through as the rents for these two properties commenced after the AVD. Whilst Mrs Draycott had argued that the Covid 19 restrictions had resulted in there being a lack of leases around the AVD, the

judgments of *Specialeyes Plc v Felgate (VO)* RA/387/1992 dated 15 July 1994 and *Flight Centre (UK) limited v Ricketts (VO)* [2021] UKUT 0315 (LC) dated 19 October 2021 little weight was applied to post AVD rents. Furthermore, during questioning Mrs Draycott confirmed that she had not made any adjustments in her rental analysis to reflect any changes to the rental market, which made her analysis even more unreliable and Greggs was over half the size of the subject property. The VO had also contended that the rental analysis for Burger King did not reflect an addition for fit out. So even though the rent had been analysed to £303.77/m^2, the fit out costs would add to this and the panel concluded that this did not support a reduction on the RV.

17. The panel applied significant weight to Mr Pang's contention that the subject property had been valued in line with other similar properties such as McDonalds, Marina Way and KFC which had also been valued at £300/m^2. He also confirmed that there had not been any challenges in respect of these two assessments. However, he was unable to confirm if there were any outstanding challenges or what percentage of these two assessments represented the Drive Through restaurants in the locality.

18. The judgment of *Futures (London) Ltd v Stratford (VO)* [2005] RA 75 dated 2 December 2005. 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"*

19. Whilst Mrs Draycott had argued that with shorter rating lists and the Check, Challenge and Appeal regulations has meant that challenges can take some time to be submitted and appeals could also take some time to be listed to a hearing, the panel was not persuaded by this argument as there are time limits for the VO to deal with a challenge and for appeals to be submitted to this Tribunal.

20. The panel was disappointed that there was a dearth of reliable evidence. For the reasons stated above, Mrs Draycott had only produced one property with reliable rental evidence, as the panel had applied less weight to the two post AVD rents. However, the VO was arguing that a tone had been established but had only presented two properties to support a tone of value.

21. However, the panel was aware that Mrs Draycott had to prove that the RV was unreasonable. But, she had not discharged that burden and produced very little evidence to prove that the RV was unreasonable. The panel was therefore satisfied that a tone of value had been established at £300/m^2.

Conclusion

22. In view of the above findings and conclusions, the Tribunal is satisfied that the existing assessment for the subject property was not unreasonable. Therefore, the panel dismissed the appeal.

23. Although Mr Pang was seeking an increase in the RV due to the increase in size of the subject property, any increase to the RV is only effective from the date of this decision. As the 2023 rating list is now closed, there is little point in increasing the RV as it would not take effect until after the 2023 rating list has ended.

Right of further appeal

24. 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.

25. 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 M Chaggar, Senior Member
Miss E Cross, Member
Mr S Gill, Member
16 June 2026

Mr Richard Gath IRRV (Hons)
Clerk to the Tribunal
Date issued to the parties: 16 June 2026