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

Case No: CHG101229305

Sitting remotely using Microsoft Teams on 20 April 2026

Date: 19 May 2026

SCHEDULE 11 TO THE LOCAL GOVERNMENT FINANCE ACT 1988

2023 Rating List Appeal: Local Government Finance Act 1988; workshop and premises; assessment evidence; Lotus & Delta Ltd v Culverwell (VO) and Leicester City Council 1976; settlement evidence; appeal allowed

Before:

MS C JUKES
MR J TRAMBOO

Between:

PSR TRADING LTD — **Appellant**

- and -

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

Regarding:

UNIT 3A, SHRUB HILL RETAIL PARK, TALLOW HILL, WORCESTER WR5 1HE
(the “subject property”)

Appearances:
Mr A Simons of Ryan LLC, for the Appellant
Mr J Green, for the Respondent

DECISION AND STATEMENT OF REASONS

DECISION

1. The appeal is allowed.

2. The Tribunal finds that the rateable value was unreasonable and should be reduced to £48,500 with effect from 1 April 2023.

STATEMENT OF REASONS

Introduction

3. This appeal was brought in respect of the entry in the 2023 rating list for the subject property. The subject property is a retail warehouse with a total floor area of 556.27m^2 and is located within Shrub Hill Retail Park and has been occupied by Just for Pets since 2014.

4. A challenge was made 12 June 2024 against the RV of £66,500 (based on £120/m^2) and proposed a reduction to £35,000 (based on £63/m^2) with effect from 1 April 2023.

5. Having considered the evidence, the challenge decision maintained the rate of £120/m2. The appellant considered that this was not reasonable and appealed that decision to this Tribunal submitted that the RV should be reduced to £87.50/m^2 which results in a reduced RV of £48,500.

6. Additional evidence, including email exchanges referring to further information concerning the lease of the subject property and a deed of variation, as well as references to Unit C (Dreams), Pheasant Street was provided in advance of the hearing. There was also correspondence relating to the findings of a recent inspection, in which the respondent noted minor area differences and the presence of CCTV and updated the valuation to reflect this. The parties agreed on the revised factual information and agreed to the admission of the evidence. The panel therefore admitted the evidence and proceeded on that basis.

7. In light of this additional evidence and following the inspection, the respondent revised its position and confirmed that it was willing to reduce the rate to £105/m^2.

8. Both Mr Green, for the respondent and Mr Simons, for the appellant, appeared in a dual role of advocate and expert witness. In view of the Upper Tribunal's judgment in *Gardiner & Theobald LLP v David Jackson* (VO) [2018] UKUT 0253 (LC), Mr Simons declared that he was instructed under a contingency based fee and declared that he understood that his overriding duty was to the Tribunal.

9. The panel accepted the expert witness evidence on this basis as the appeal was not considered to be complex and to do otherwise would be contrary to regulation 3 (Discharge of VTE functions – general) of the Procedure Regulations and was allowable due to the Tribunals' rules concerning admissibility of evidence (regulation 17(2)(a) where the Tribunal can admit evidence whether or not it would be admissible in a civil trial). The panel therefore considered the "expert" evidence and attached such weight to it as it saw fit.

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

Relevant Law

11. The issue between the parties concerned the RV of the subject property, specifically, the rate per m² that should apply, essentially £105/m2 versus £87.50/m^2.

12. The term 'rateable value' as defined in paragraph 2(1), 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."

13. The antecedent valuation date (AVD) for 2023 list rating appeals is 1 April 2021. The material day was 1 April 2023.

14. The panel had regard to the six propositions in *Lotus & Delta Ltd v Culverwell (VO) and Leicester City Council* (1975), which guide the assessment of rental evidence and comparable assessments.

Discussion

15. In deciding this appeal, applying *Lotus*, the panel acknowledged that the starting point was the actual rent passing on the subject property. It was let from August 2014 with a headline rent of £91,500 for a term of 15 years. The deed of variation reduced the rent to £39,097 per annum with effect from 24 July 2024 on a stepped rent basis.

16. The panel found that the 2014 rent attracts limited weight, as it pre-dates the AVD and the market conditions prevailing at that time. The 2024 variation, although evidencing a decline in rental value, post-dates the AVD and is therefore only of limited supporting value.

17. The panel accepted the appellant's submission that market conditions at the AVD of 1 April 2021 were exceptional. Non-essential retail properties were legally required to close, and therefore the hypothetical letting must reflect a restricted and uncertain market.

18. Various evidence was discussed during the challenge process but at the hearing the primary focus was on Dreams Unit C Pheasant Street, Worcester WR1 2DZ and Farmfoods at unit 7 Shrub Hill, Worcester WR1 2DD. The panel had particular regard to Unit C, Pheasant Street.

The panel noted that this assessment had been agreed by way of settlement and reduced from £125/m² to £90/m² in the 2023 rating list. This represented a significant downward adjustment and provided clear evidence of a reduction in tone within the locality.

19. The panel acknowledged that Unit C is inferior to the subject in terms of prominence and lack of dedicated parking but when considered alongside the broader evidence, particularly the impact of COVID-19 and the reduced demand for secondary retail warehouse accommodation, the panel was not persuaded that any upward adjustment to reflect the subject's relative advantages was justified.

20. The panel also considered earlier rental evidence from both the subject and Unit C, including the 2019 rent review on the subject and the 2019 letting of the Dreams unit. The panel accepted that the 2019 rent review on the subject resulted in a nil increase and was therefore indicative of an over-rented position at that time. As such, it did not represent the open market rental value and attracted little evidential weight. This evidence was therefore of limited assistance in determining the value at the AVD.

21. Greater weight was placed on the evidence relating to Unit 7 Shrub Hill Retail Park which the panel considered to be highly comparable due to its close proximity and similarity in function and location. The panel noted that this property showed a reduction in tone from £120/m² in the 2017 list to £75/m² in the 2023 list, a decrease of approximately 37.5%. This supported the appellant's contention that there had been a significant downward shift in tone between lists.

22. The panel also had regard to the May 2022 letting of Unit 7, analysed at £58.49/m², which demonstrated a substantial reduction in rental levels compared to pre-pandemic values. Although this letting post-dated the AVD, it was considered to provide useful supporting evidence of the level of decline in the market, particularly given its proximity and similarity to the subject.

23. By contrast, the panel placed limited weight on the respondent's comparables at Blackpole and Elgar Retail Parks. The panel accepted that these represent prime retail warehouse locations within Worcester and are not directly comparable to the subject, which is situated in a smaller, secondary retail park.

24. Drawing the evidence together and adopting a "stand back and look" approach, the panel was satisfied that the original tone of £120/m², and the respondent's revised figure of £105/m², did not adequately reflect the significant reductions in rental value evident at and around the AVD. The panel found that the most reliable guidance was provided by the Shrub Hill evidence, supported by the settlement of Unit C and the wider market context.

25. In all the circumstances, the panel found that the appellant's adopted figure of £87.50/m² most accurately reflects the rental value at the AVD, having regard to the subject's characteristics, location and the prevailing market conditions.

26. Accordingly, the panel finds that the original assessment was excessive. The appeal is allowed, and the rateable value is reduced to £48,500 with effect from 1 April 2023 as shown in the valuation below:

Floor	Description	Area/m2	£/m2	Value

Ground	Ground floor sales	534.29	87.5	46750.38
Ground	Kitchen	15.12	87.5	1323
Ground	Staff Toilets	5.33	87.5	466.375
	Plant and Machinery			72
			Total	48611.75
			Ratable Value	**£48,500**

Conclusion

27. In view of the above findings, the Tribunal is satisfied that the RV was unreasonable and confirms the rate of £87.50/m^2. Accordingly, the appeal is allowed.

28. Accordingly, we order under the provisions of regulations 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 reduce the entry in the rating list in respect of the subject property to £48,500 RV with effect from 1 April 2023.

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

30. A refund of the paid fee will now be arranged (Regulation 13E of the NDR Alteration of Lists & Appeals Regs) provided there is no review of the Tribunal's decision. The refund will take around six weeks to process.

Right of further appeal

31. 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.

32. 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 C Jukes, Senior Member (Chair)
Mr J Tramboo, Senior Member
19 May 2026

Mrs C McAvoy
Clerk to the Tribunal
Date issued to the parties: 19 May 2026