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

Case No: CHG101252139

Sitting remotely using Microsoft Teams

Date: 21 October 2025

SCHEDULE 11 TO THE LOCAL GOVERNMENT FINANCE ACT 1988

Non-Domestic Rating Appeal; 2023 Rating List; Local Government Finance Act 1988; Lotus and Delta v Culverwell (VO) [1976] RA 141; *Office and premises; main space price; appeal allowed in part.*

Before:
MISS A GRIFFITHS
DR T WEBB

Between:

BETTING AND GAMING COUNCIL **Appellant**

- and -

NICOLA JOHNSON
(VALUATION OFFICER) **Respondent**

Regarding:
SEVENTH FLOOR REAR KINGS BUILDINGS 16, SMITH SQUARE, LONDON SW1P 3HQ
(the "subject property")

Mr C Corney-Loates from BGL Partners for the Appellant
Ms L Pokuaa-Amofah for the Respondent

Hearing date: 29 September 2025

DECISION AND STATEMENT OF REASONS

Decision

1. The appeal was allowed in part.

2. The Tribunal found that the main space price should be reduced to an unadjusted rate of £300 per m² with an uplift of 5% for comfort cooling to £315 per m² and a10% allowance for ongoing works in the locality. The resultant Rateable Value (RV) was £74,000 with effect from 1 April 2023.

Introduction

3. The appeal had been brought in respect of the following: Seventh Floor Rear Kings Buildings 16, Smiths Square, London SW1P 3HQ (hereafter, known as the subject property) which entered the 2023 Rating List as ‘Offices and premises) at an RV of £137,000 with effect from 1 April 2023, where the unadjusted rate applied had been £500 per m². However, the RV was subsequently reduced to £102,000 effective from 1 April 2023, based on a revised unadjusted main space price of £415 per m² with an uplift of 5% for comfort cooling to £435.73 per m². The appellant was seeking an RV of £74,000 based on an unadjusted main space price of £300 per m² with an uplift for comfort cooling to £315 per m². A 10% allowance for ongoing building works had been agreed between the parties and there was no dispute about this allowance.

4. 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 was excessive. The appeal was received by the Tribunal on 30 April 2025.

5. In accordance with the normal procedure, the Appellant’s representative presented his case first followed by the Respondent.

6. Both Mr Corney-Loate for the Appellant and Ms Pokuaa-Amofah for the Respondent appeared as both advocate and expert witnesses. In view of the Upper Tribunal’s judgment in *Gardiner & Theobald LLP v David Jackson (VO)* [2018] UKUT 0253 (LC), Mr Corney-Loate stated that he was instructed on a conditional fee basis.

7. Mr Corney-Loate also declared that he understood and accepted that his duty was to the Tribunal in giving his evidence and he would comply with this as well as the requirements of his professional body regardless of whether or not the evidence supported the client’s case.

8. The panel accepted this expert witness evidence on the above basis as the appeal was not 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 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).

9. 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 proceedings.

Background

11. The subject property was an office located on the seventh floor of a ten-storey office building, with a total floor area of 261.70 m² (ITMS measurement: 254.25 m²). The building was of masonry construction and featured a mansard-style roof. Originally built around 1800, it underwent renovation in 1987. Positioned on the southeast corner of Smith Square and Dean Stanley Street in London, the property benefits from a prominent and well-connected location.

Preliminary issue

12. Ms Pokuaa-Amofah had submitted new evidence three days prior to the hearing date. Within that new evidence was rental analysis relating to the subject property. Mr Corney-Loates objected to the inclusion of this new evidence.

13. As the Valuation Officer had submitted late evidence, the panel considered the matter in light of the Upper Tribunal decision in *Simpsons Malt Ltd etc. v Jones (VO)* UKUT [2017] 460 and had regard to the test set out in *Denton v TH White Ltd* [2014] 1 WLR 3926.

    Stage 1 – If panels conclude that the breach is not serious or significant then relief from sanctions should usually be granted (para. 53).

    Stage 2 – Then the panel need to consider why the failure or default occurred. The burden is on the defaulting party to persuade the tribunal to grant relief. They must explain what happened and why. Illness or accidents may be good reasons but overlooking a deadline is not (para. 54).

    Stage 3 – The panel must consider all the circumstances of the case including:

    a. The need for litigation to be conducted efficiently and at a proportionate cost;
    b. A failure to grant a sanction may leave an inaccuracy being uncorrected;
    c. The need to enforce compliance with rules, directions and orders (para. 55). However, such matters are the handmaids and not the mistress of justice and must never be allowed to assume a greater importance than doing justice (para. 56).

14. The panel had to consider whether there had been a minor or significant breach. Ms Pokuaa-Amofah had submitted late evidence, which had been confirmed as available during the Challenge stage.

15. The panel held that this was a serious breach in the fact that the evidence had been available during the Challenge stage and should have been submitted at that time. The panel considered to impose a sanction and not allow the new evidence to be included as part of the Ms Pokuaa-Amofah's submission, however, when referring to Stage 3 b. as the details of the rent of the subject property had already been provided and this new evidence was in relation to the analysis of that rental evidence, the panel allowed the details to be included but informed the parties that it would place weight as it say fit to the details provided.

16. Mr Corney-Loates was informed that he could comment on the rental analysis of the subject property, as provided by Ms Pokuaa-Amofah during the hearing.

Relevant Law

17. The term “Rateable Value” is defined in paragraph 2(1) of Schedule 6 to the Local Government Finance Act 1988 (the “1988 Act”):

18. The RV 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 various assumptions.

19. Each appeal hereditament had to be valued, having regard to factual matters the relevant material day, in accordance with paragraphs 2 (6) and (7) of Schedule 6 to the 1988 Act, as amended.

> (6) Where the “Rateable Value” is determined with a view to making an alteration to a list which has been compiled (whether or not it is still in force) the matters mentioned in sub-paragraph (7) below shall be taken to be as they are assumed to be on the material day.
>
> (7) The matters are –
>
> (a) matters affecting the physical state of the hereditament,
> (aa) matters affecting the physical enjoyment of the hereditament,
> (b) the mode or category of occupation of the hereditament,
> (c) the quantity of minerals or other substances in or extracted from the hereditament,
> (cc) the quantity of refuse or waste material which is brought onto and permanently deposited on the hereditament,
> (d) matters affecting the physical state of the locality in which the hereditament is situated,
> (da) matters which, though not affecting the physical state of the locality in which the hereditament is situated, are nonetheless physically manifest there, and
> (e) the use or occupation of other premises situated in the locality of the hereditament.

20. The antecedent valuation date (AVD) for 2023 list rating appeals was 1 April 2021. The material day was 1 April 2023, this being the date the subject property entered the valuation list.

21. Both parties had referred *to Lotus and Delta v Culverwell (VO) and Leicester City Council* [1976] RA 141. This Lands Tribunal judgment 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.

Discussion

22. The task for the panel was to determine the rateable value for the appeal property, which represented a rent that a hypothetical landlord and tenant would agree as at the AVD of 1 April 2021. The common date was used to ensure that every property was treated in a consistent way; otherwise similar properties would have different rateable values if numerous dates were used as rental values fluctuated over time.

23. The subject property was held under a four year sublease which had commenced on 24 November 2020 with one month rent free period. The passing rent was agreed at £122,540

per annum. At the present time, the Appellant is currently holding over whilst agreeing new terms with the Landlord.

24. To determine the appeal, the panel first considered the rent for the subject property. However, it noted that it was a sub lease for a period of four years and had commenced circa five months prior to the AVD of 1 April 2021. As no details had been provided as to the conditions of the sub lease, the panel placed less weight to it than the comparable properties provided by each party.

25. Both parties submitted lists of comparable properties located at 16, 18, and 34 Smith Square, London. The properties at 16 Smith Square, which was the same building as the subject property, ranged in size from 260.36 m² to 541.14 m². Leases for these units commenced between 21 May 2019 and 22 December 2020, with annual rents agreed between £56,674 and £202,475. The applied values for these comparables were £525 per m², while the analysed rents ranged from £315 per m² to £338 per m², reflecting assumptions of a two or three month rent-free period to allow for tenant fit-out.

26. The panel considered the Second Floor, Kings Building, 16 Smith Square, which was larger than the subject property, with a total area of 541.14 m². The lease was agreed on 22 December 2022, which was circa four months prior to the AVD of 1 April 2021. The lease was set for a 10-year term at an annual rent of £202,475, including a 25-month rent-free period. In addition, an assumed three-month rent-free period was allowed for tenant fit-out. After analysis, the rent equated to £315 per m².

27. The panel referred to the Eighth Floor, Kings Building, 16 Smith Square, which was similar in size to the subject property, with a total area of 260.36 m². The lease was agreed on 21 May 2019 for a 10-year term, commencing approximately two years before the AVD and therefore offered limited assistance. Under the lease terms, the rent was set at £56,674 for the first 2.17 years, increasing to £113,348 for the following 2.83 years, with a break option after five years and an initial five-month rent-free period. An additional two-month rent-free period was assumed for tenant fit-out. After analysis, the rent equated to £338 per m².

28. First Floor, Kings Building, 16 Smith Square, was considered by the panel, where the property had a total area of 449.20 m². The lease was agreed on 10 January 2022 for a 10-year term, commencing nine months after the AVD. The agreed rental terms included £104,175 per annum initially, incorporating a five-month rent-free period and 16 months at half rent. From 10 October 2023, the rent increased to £208,350 per annum, with a break option after five years. An additional two-month rent-free period was assumed for tenant fit-out. After analysis, the rent equated to £322 per m².

29. Ms Lucy Pokuaa-Amofah informed the panel that although there were two rents within the same building as the subject property, details of comparable properties from other buildings within the same Square should also be considered. The panel considered the comparable properties on the second and third floors of 18 Smith Square, London, measuring 424.17 m² and 618.90 m² respectively. The applied value for both properties was £525 per m². The leases were agreed on 16 January 2020 (second floor) and 1 July 2019 (third floor), for terms of 10 years and 5 years respectively, approximately 21 months and 15 months after the AVD. The agreed annual rents were £211,859 for the second floor and £236,876 for the third floor.

30. The lease for the comparable property on the second floor of 18 Smith Square included a five-month rent-free period and a three-year break clause, with the rent analysed at £452 per m². The third-floor lease had a seven-month rent-free period, a capital sum payment of £75,347, and a three-year break clause, with the rent analysed at £383 per m². The panel

noted that both properties were significantly larger than the subject property and that their leases commenced too far from the AVD to provide substantial assistance. Additionally, the capital sum paid for the second-floor property would have influenced the rent agreed. Consequently, the panel placed limited weight on these comparables when reaching its decision.

31. The comparable property located on the lower ground, ground, and second floors at 34 Smith Square, London, has a total area of 303.24 m². A new lease commenced on 1 April 2021 at an annual rent of £161,000 for a ten-year term, which included twelve months at half rent and a break option after five years. The panel noted that the analysed rent equated to £479 per m², with an applied rate of £500 per m². It was assumed that a two-month rent-free period was allowed for fit-out and that certain costs were likely recovered through a service charge. Although the lease was agreed on the AVD of 1 April 2021, the panel observed that pthis property benefited from raised floors, unlike the subject property. Accordingly, the Panel attributed weight to this comparable as it considered appropriate.

32. The third-floor property at 34 Smith Square, London, has a total area of 113.39 m². Its rental details related to a lease renewal that took place on 1 March 2022, with an annual rent agreed at £61,250 and a break option after two years in 2025. The analysed rent equated to £540 per m², while the applied rate was £500 per m². This property also benefited from raised floors, unlike the subject property. As the rent was based on a lease renewal rather than a new letting, the panel placed less weight on the details provided.

33. The panel concluded that the rental evidence from comparable properties within the same building as the subject property was the most helpful in reaching its decision. In particular, Second-Floor at Kings Building, 16 Smith Square was considered significant, as its lease commenced approximately four months prior to the AVD and achieved a rent broadly in line with that of the subject property.

34. The panel also placed weight on Eighth-Floor at Kings Building, 16 Smith Square, which was similar in size to the subject property. Both this property and the Second-Floor conparable shared the characteristic of not having raised floors, unlike the comparables at 34 Smith Square. The analysed rents for these two properties were £315 per m² and £338 per m² respectively.

35. Although Mr Corney-Loates requested that the Tribunal reduce the RV to £70,500, a review of his submission revealed that he had based this figure on an unadjusted rate of £300 per m², incorporating a 10% allowance for ongoing works. He had not included the 5% uplift for comfort cooling, where he had requested a revised rate of £315 per m² should apply.

36. Had the appeal been allowed in full using the unadjusted rate of £300 per m², the RV would have calculated at £70,659, rounded down to £70,500. However, applying the correct rate of £315 per m², as confirmed by Mr Corney-Loates at the hearing and within his evidence pack, the revised RV is shown in the table below:

Floor	Description	Area m²	£ / m²	Value
Seventh	Office	261.70	315	82,436
	Temporary Disadvantage		-10%	8,244
	Total value			£74,192

	Rateable Value	£74,000

Determination

37. In view of the above findings and conclusions, the panel was satisfied that Mr Corney-Loates had provided sufficient evidence to support a lower valuation. This included evidence from comparable properties situated within the same building as the subject property. Therefore, the panel determined that the appeal should be allowed in part.

Order

38. Accordingly, the panel order the Valuation Officer to reduce the 2023 Rating List entry for Seventh Floor Rear, Kings Buildings 16, Smith Square, London SW1P 3HQ to £74,000 with effect from 1 April 2023 within two weeks of the date of this order.

Refund of appeal fee

39. 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).

Right of further appeal

40. 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.

41. 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/.

Miss A Griffiths, Senior Member (Presiding)

Dr T Webb, Senior Member

21 October 2025

Ms R Muller
Clerk to the Tribunal
Date issued to the parties: 21 October 2025