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

Case No: CHG101253747

Sitting remotely using
Microsoft Teams on
9 September 2026

Date: 22 September 2026

SCHEDULE 11 TO THE LOCAL GOVERNMENT FINANCE ACT 1988

RATING — Local Government Finance Act 1988 — 2023 rating list appeal; Factory and premises; Compiled List Entry; Price per square metre; Rental evidence/assessment of comparable properties; Lotus and Delta v Culverwell (VO) & Leicester City Council [1976] RA 141; Appeal dismissed.

Before:

MR K HIGGINS
MRS L HAYHURST

Between:

ALBANY ENGINEERING COMPANY LIMITED(THE) **Appellant**

- and -

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

Regarding:

ALBANY ENGINEERING CO LTD (THE) (SITE N0 1&2), CHURCH ROAD, LYDNEY GL15 5EQ
(the "appeal property")

Mr R Storr from Ryan Property Tax Services UK (Appellant's Representative)
Mr M Donaldson (Respondent's Representative)

DECISION AND STATEMENT OF REASONS

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DECISION

1. The appeal is dismissed.

2. The Tribunal finds that the current assessment of £86,000 Rateable Value (RV), with effect from 1 April 2023 was reasonable.

STATEMENT OF REASONS

Introduction

3. The challenge proposal was submitted by the appellant's representative and was received by the Valuation Officer (VO) on 31 July 2024. It had been made on the grounds that the RV shown in the rating list of £86,000 on 1 April 2023 was inaccurate. A revised RV of £59,500 was proposed with effect from 1 April 2023, based upon a reduced unadjusted rate from £32/m^2 to 22/m^2. The VO issued a challenge decision notice on 22 January 2026.

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 is not reasonable. The appeal was lodged by the appellant's representative on behalf of the appellant and received by the Tribunal on 26 March 2026.

5. Mr Storr appeared on behalf of the appellant as both advocate and expert witness and declared that he was employed on a contingency fee basis. In view of the Upper Tribunal's judgment in *Gardiner & Theobald LLP v David Jackson (VO)* [2018] UKUT 0253 (LC), Mr Storr understood and accepted that his duty is to the Tribunal in giving his evidence and he will comply with this as well as the requirements of his professional body regardless of whether or not the evidence supports 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 Procedure regulations 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. The panel hearing the evidence considered the "expert" evidence and assessed what weight, if any, it should give to it in the context of the matters in issue before it.

8. Mr Donaldson was representing the VO in the dual role of advocate and expert witness.

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

Background

10. The appeal property comprised of industrial and manufacturing accommodation across two adjoining sites situated on Church Road in Lydney. It was built between 1940 and 1954. It was of a steel truss construction with an eave's height no greater than four metres.

11. It was explained by the VO that the appeal property benefited from a longstanding end allowance of 12.5% which reflected its layout, configuration and site constraints.

Relevant Law

12. The issue before the panel was to determine the correct valuation for the subject property with effect from 1 April 2023. In respect of an appeal against an entry in the 2023 rating list, the rental levels are to be taken as those passing at the antecedent valuation date (AVD) of 1 April 2021.

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 1992/556) as amended. In respect of the subject appeal, the material day is 1 April 2023.

14. The subject property must be valued for the purpose of non-domestic rating on the basis of the rent at which it might reasonably be expected to let from year to year on a number of assumptions (see paragraph 2(1) of Schedule 6 of the Local Government Finance Act 1988).

15. The panel was aware of the Lands Tribunal judgment of *Lotus & Delta Ltd v Culverwell (VO) and Leicester City Council* [1976] RA 141 cited by the parties. This case had established six propositions, which gave clear guidance to be followed, namely:

    (1) 'Where the hereditament which is the subject of consideration is actually let that rent should be taken as the starting point.

    (2) The more closely the circumstances under which the rent agreed both as to time, subject matter and conditions relate to the statutory requirements contained in the definition of Gross Value in s.19(6) of the General Rate Act 1976 the more weight should be attached to it.

    (3) Where rents of similar properties are available, they too are to be properly looked at through the eye of the valuer in order to confirm or otherwise the level of value indicated by the actual rent of the subject property.

    (4) Assessments of other comparable properties are relevant. When a valuation list is prepared these assessments are to be taken as indicating comparative values estimated by the Valuation Officer. In subsequent proceedings on that list therefore they can properly be referred to as giving an indication of that opinion.

    (5) In light of all the evidence an opinion can then be formed of the value of the appeal hereditament, the weight to be attributed to the differing types of evidence depending on the one hand on the nature of the actual rent and on the other hand, on the degree of comparability found in other properties.

    (6) In those cases where there are no rents available of comparable properties a review of other assessments may be helpful but, in such circumstances, it would be clearly more difficult to reject the evidence of the actual rent.'

Discussion

16. The appellant stated that the appeal property was situated in a relatively remote location of Gloucestershire. Lydney was on the far side of the River Severn, and not easy to connect to the M4 or M5.

17. Mr Storr stated that the current rate was excessive and argued that the rental evidence on the appeal property was the strongest evidence that supported a reduction to £22/m^2. The rent was under a lease from 26 March 2015 between the landlords, Miss Morledge, Miss Melrose and Mr Swathfield. He argued that these landlords were not connected parties to the tenant. The landlord was their father, but he was no longer a named director of the business, he was just a shareholder and had minimal interest in the business. He had put the property into a trust with his grandchildren as the beneficiaries. It was the trustees' obligation to act on the best interest of the beneficiaries and not their fathers.

18. The VO argued that when he inspected the property, he spoke to one of the other business owners and was informed that the father was a shareholder and had have influence over the business and was still in contact with them. He argued that there was a level of connected party's issue.

19. The rent was agreed at the start of the lease at £41,000. Under review in 2020, it remained at £41,000. In a rent review on 26 March 2025, it was increased to £72,500. He had analysed the rent of £41,000 to £15/m^2. He argued that the rent increases are not supportive of the rateable value currently set at £86,000. The VO had dismissed the rent without demonstrating that it failed to represent open market conditions.

20. The appellant had toned back the 2026 rent of £72,500 and toned up the £41,000 rent to achieve £59,500 rateable value.

21. Mr Storr argued that the VO rely heavily on the rent on comparable, Starden Works. This property was superior in both location and design. It was a modern single construction unit with better specification and advantageous road access.

22. The VO reported that the site was situated next to the A48 which provided convenient access to the wider regional road network. The A48 linked north-east towards Gloucester (20.6 miles) and south-west towards Chepstow (8.4 miles) where connections lead to the M4 and M48 motorways.

23. The VO stated that the appellant has applied a lot of weight to the appeal rent. However, this rent was agreed in 2015, six years prior to the AVD and was carried forward with a nil increase at the 2020 review. The rent review in 2026 was four years post AVD. The VO argued that the rent was agreed between connected parties as the landlord was a 5% shareholder in the tenant company and therefore as a result the VO had applied little weight to the rent.

24. The VO considered the most relevant and reliable rent to be Starden Works which was agreed on 1 August 2021. This transaction had occurred close to the AVD, and he considered the property to be of a similar age, character and construction to the appeal property. It was located in the same valuation scheme which included pre-1960's industrials. The rent of £112,456 was adjusted to £108,520 which analysed to £34.55/m^2 on an unadjusted basis. The VO stated that this strongly supported the established tone for older, large industrial properties in this scheme.

25. The VO also referred to Afron Building, Valley Enterprise Park which was a new letting, let on 1 October 2020, shortly prior to the AVD. This property was situated in a different valuation scheme but was highlighted by the appellant as it was considered to be broadly similar in physical characteristics and age. The rent analysed to £37.75/m^2 supporting the tone of £32/m^2.

Conclusion

26. The panel carefully considered all of the oral and written evidence submitted by the parties. The principal issue in dispute was the evidential weight that should be attached to the rent passing on the appeal property compared with the rental and assessment evidence relied upon by the VO.

27. The panel accepted the appellant's submission that the rent passing on the appeal property was relevant evidence and should not be disregarded solely because of the relationship between the parties. However, the panel was not persuaded that the rent could be afforded significant weight in determining the hypothetical rental value at the AVD of 1 April 2021.

28. In reaching that conclusion, the panel noted that the lease commenced on 26 March 2015, some six years before the AVD. The rent was set at £41,000 and remained unchanged at the 2020 review. The panel accepted that the landlords were not directors of the tenant company, and without more it could not be established that this amounted to a connected-party transaction. Nonetheless, the rents were agreed between longstanding landlords and tenants, rather than lets agreed in the open market on or around the AVD, limiting the weight of this evidence.

29. The panel was also concerned that the appellant's analysis relied upon the appeal property rents agreed significantly before and after the AVD. The panel found that the exercise of "toning" the 2015 rent upwards and the 2025 reviewed rent downwards involved a degree of speculation and was not supported by sufficient market evidence to justify the substantial reduction sought.

30. The panel considered the rental evidence relied upon by the VO to be of greater assistance. In particular, the panel attached greater weight to the letting of Starden Works. This transaction occurred on 1 August 2021, close to the AVD, and therefore reflected market conditions at the AVD. Although the appellant argued that the property benefited from superior location and specification, the panel accepted the VO's evidence that it was of a broadly similar age, character and construction and situated within the same valuation scheme for older industrial properties.

31. The analysed rate of £34.55/m² at Starden Works provided strong support for the established scheme rate adopted by the VO. The panel also noted the evidence of the Afron Building letting, which analysed to £37.75/m² and similarly supported a tone in excess of the £32/m² adopted for the appeal property.

32. Applying the principles in *Lotus & Delta Ltd*, the panel considered all of the evidence in the round. Whilst the actual rent of the subject property is an important consideration, the panel found that the available market evidence closer to the AVD carried greater weight in the circumstances of this appeal. That evidence provided persuasive support for the assessment appearing in the rating list.

33. Having considered all the evidence, the panel was not satisfied that the appellant had demonstrated that the rateable value of £86,000 was excessive.

34. The appeal is dismissed. The rateable value of the hereditament shall remain at £86,000 with effect from 1 April 2023.

Right of further appeal

35. 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.

36. 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/.

Mr K Higgins, Senior Member (Chair)
Mrs L Hayhurst, Member
7 October 2026

Miss K Hendry
Clerk to the Tribunal
Date issued to the parties: 7 October 2026