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

Case No: CHG101255478

Sitting remotely using
Microsoft Teams

Date: 24 December 2025

SCHEDULE 11 TO THE LOCAL GOVERNMENT FINANCE ACT 1988

RATING — Local Government Finance Act 1988 - 2023 Rating List appeal; Lotus & Delta Ltd v Culverwell (VO) and Leicester City Council [1976], *correct base rate; factory and premises; rental and assessment evidence on comparable properties demonstrated to the panel that the current base rate applied to the subject property was unreasonable; appeal allowed in part.*

Before:
MR CM TAYLOR
MISS S AKHTAR

Between:

UNITED INDUSTRIAL CONVERTERS LTD **Appellant**

- and -

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

Regarding:
UNITED INDUSTRIAL CONVERTERS LTD, MUCKLOW HILL, HALESOWEN B62 8DL
(the "subject property")

Mr M Iles of Ryan Property Tax Services Limited on behalf of **the Appellant** (as advocate and expert witness)
Mr J Fox for the **Respondent** (as advocate and expert witness)

Hearing date: **Tuesday 9 December 2025**

DECISION AND STATEMENT OF REASONS

DECISION

1. The appeal is allowed-in-part.

2. The Tribunal panel determined that the existing assessment of £75,000 Rateable Value (RV) was unreasonable and that an assessment of £70,500 RV, with effect from 1 April 2023, more accurately reflected the subject property and its location.

STATEMENT OF REASONS

Introduction

3. This appeal has been brought in respect of United Industrial Converters Ltd, Mucklow Hill, Halesowen B62 8DL (the “subject property”), which was entered in the 2023 Rating List as ‘factory and premises’ at £75,000 RV, effective from 1 April 2023.

4. In accordance with regulation 13A of the Non-Domestic Rating (Alteration of Lists and Appeals) (England) Regulations 2009, an appeal was made to the Valuation Tribunal for England (VTE) on behalf of United Industrial Converters Ltd. The appeal was made because the appellant did not agree with the Valuation Officer’s decision not to alter the subject property’s 2023 Rating List entry following the Challenge. The appellant sought a reduction to £54,000 RV, with effect from 1 April 2023. Mr Iles amended his proposed assessment to £54,500 RV in his supporting evidence statement; the amendment was to more accurately reflect relativities.

5. Mr Iles was appearing on behalf of the appellant as advocate and expert witness. Therefore, it was important to ascertain if there was a success related fee involved and if so whether its existence was compatible with his obligations to the tribunal as an expert. This question was raised in view of the Upper Tribunal’s judgment in *Gardiner & Theobald LLP v David Jackson (VO)* [2018] UKUT 0253 (LC).

6. Mr Iles explained that he was representing the appellant in this appeal on a contingency fee basis. However, he 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 supports his client’s case.

7. The panel have 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 VTE (Council Tax and Rating Appeals) (Procedure) Regulations 2009 (SI No 2009/2269) 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). The panel therefore considered the “expert” evidence and attached such weight to it as it saw fit.

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

<u>*Background*</u>

9. The subject property was a factory and premises that had been built between 1900 and 1920 of a steel frame. It had an area of 2,674.97m^2 and was located on its own plot. The accommodation comprised of workshop and ancillary office and storage space.

10. There was a lease renewal on the subject property on 15 May 2020, when the rent had been set at £85,000 per annum.

11. The subject property was currently valued at the base rate of £32/m^2. Mr Iles sought a reduction in the base rate to £23/m^2, which resulted in his proposed assessment of £54,500 RV, with effect from 1 April 2023.

Preliminary issue

12. The clerk raised a preliminary issue. On 10 November 2025, Mr Fox had requested that he be allowed to submit new evidence. This evidence was an agreement that had been reached on 30 April 2025, in relation to 30 Mushroom Green. This agreement had been reached after the VO's Decision had been issued on 2 April 2025.

13. On 26 November 2025, Mr Iles responded to Mr Fox's email. Whilst Mr Iles had no objections to the agreement in respect of 30 Mushroom Green, he did not believe any weight should be attached to it. He contended that the agreement had been reached after having regard to the rent on 30 Mushroom Green in isolation. He also believed that the rent had been set between connected parties, so should attach little weight. In support of his stance, Mr Iles sought to rely on four rents.

14. In an email dated 28 November 2025, Mr Fox objected to Mr Iles new evidence, which were four new rents and not recent settlements. He also did not find these rents useful in this appeal.

15. At the hearing, the clerk clarified what the objection was in relation to as three of the rents provided in Mr Iles email of 26 November 2025 had actually been exchanged during the Challenge process and provided in the appellant's supporting evidence submission.

16. Mr Fox clarified the only objection was in relation to the new rent provided in respect of Unit 1 Lye Industrial Estate. The reason for his objection was due to Mr Iles providing rents in response to a late settlement. Furthermore, in accordance with the Tribunal's Directions for rating appeals, the rent had not been provided no later than four weeks prior to the hearing.

17. Mr Iles explained that he had been provided the rent on Unit 1 Lye Industrial Estate by the Valuation Office after the decision notice on this appeal had been issued. He confirmed that he had received the details on the rent in July 2025.

18. The panel took a short adjournment to consider the matter. Following which, the panel decided that the additional rent on Unit 1 Lye Industrial Estate should not be admitted. In accordance with Regulation 17A of the Valuation Tribunal for England (Council Tax and Rating Appeals) (Procedure) Regulations 2009 (SI No 2009/2269) (as amended), the Valuation Tribunal for England may only admit evidence that was not included in the notice of appeal or any document accompanying the notice of appeal ("new evidence") if –

    (a) that evidence
        (i) is provided by a party to the appeal;
        (ii) relates to the ground on which the proposal was made; and
        (iii) was not known to the party and could not reasonably have been acquired by the party before the proposal was determined under Part 2 of the NDR Regulations; or

    (b) all the parties to the appeal agree in writing to the party providing the new evidence.

19. The panel noted that this rent had been available during the Challenge process. Furthermore, Mr Iles had been in possession of the details of this rent since July 2025 and it was not until 26 November 2025, that he sought it to be included in evidence.

Relevant Law

20. The subject hereditament must be valued for the purpose of non-domestic rating on the basis of the rent that it might reasonably be expected to let from year to year on a number of assumptions (see paragraph 2(1) of Schedule 6 to the Local Government Finance Act 1988). The date of the hypothetical rent was 1 April 2021, the Antecedent Valuation Date (AVD). Matters that affect the physical state or enjoyment of the property or the locality were to be taken as at 1 April 2023 (the material date).

Discussion

21. The panel acknowledged that the sole issue in dispute was the correct base rate to be applied to the subject property's assessment. The assessment was currently valued at a base rate of £32/m^2, which was being defended by Mr Fox. In contrast, Mr Iles sought a reduced base rate of £23/m^2.

22. In deciding the issue in dispute, the panel had regard to the Lands Tribunal judgment of *Lotus & Delta Ltd v Culverwell (VO) and Leicester City Council* [1976], as referred to by Mr Iles. This case had established six propositions that gave clear guidance to be followed when assessing rateable value. Bearing these six propositions in mind, the panel acknowledged that the correct starting point was the actual rent passing on the subject property and consideration as to how that rent compared to the statutory definition of rateable value.

23. The subject property had a rent of £85,000 per annum that was set on 15 May 2020. Mr Fox had originally analysed this rent to £32.47/m^2. However, at the hearing, he had put forward a lower analysed rent for the subject property of £31.66/m^2

24. Mr Fox placed greatest weight on the subject rent, which he contended supported a base rate of £32/m^2. However, Mr Iles contended that the subject rent was an outlier. He added that the appellant had not had professional representation during the rent review and confirmed that they had 'simply accepted the landlord's proposal'. Therefore, he considered that it was questionable whether the rent had been set to open market value.

25. The panel was of the opinion that a decision should not be made on the subject rent in isolation but having regard to the full basket of evidence. Therefore, it went on to examine the third and fourth propositions outlined in *Lotus and Delta* and had regard to the rents and assessments placed on comparable properties.

26. Firstly, the panel addressed the seven pieces of rental evidence provided by Mr Iles. The panel attached less weight to the rents in respect of Vision House, Multi Stroke Ltd and Units 71a, 71b, 72a, 72b, 73a, 73b and 74 Lenches Bridge Works. At 5,526.1m^2, 5,178m^2 and 4,927.6m^2 respectively, the panel found these three properties to be substantially larger than the subject property. The panel had regard to the other four rents, namely:

i) 30 Mushroom Green – this property measured 3,160.06m^2. It had a rent of £66,000 that had been set on 15 October 2020. There had been a three-months' rent free period and nine months at a lower rent of £55,000. This rent analysed to £23.11/m^2, an agreement had been reached to value this property at a base rate of £30/m^2.

ii) Stainless Fittings - this property measured 2,069.30m^2. It had a rent of £45,000 that had been set on 23 November 2021. This rent analysed to £22.16/m^2 and it had been valued at a base rate of £30/m^2.

iii) Vanguard Foundry Ltd - this property measured 2,299.10m^2. It had a rent of £59,500 that had been set on 14 March 2019. This rent analysed to £27.98/m^2 and it had been valued at a base rate of £30/m^2.

iv) Lye Cash & Carry - this property measured 3,418.10m^2. The rent on this property was in respect of a new letting. It had a rent of £60,000 that had been set on 1 November 2021. This rent analysed to £21.06/m^2 and it had been valued at a base rate of £30.69/m^2.

27. Whilst Mr Fox had not put forward any comparable evidence preferring to place weight on the subject rent, he had provided a previous Valuation Tribunal decision. That decision was in respect of Units 1-3 Pride Works, Park Lane, Halesowen BS3 2RA (VT appeal number CHG101152758, dated 28 February 2025).

28. The panel in the current appeal was aware that unlike judgments from the Upper Courts, it was not bound by previous Valuation Tribunal decisions. In arriving at its decision, whilst the panel found the previous decision on Units 1-3 Pride Works interesting, it did not attach significant weight to it. That previous panel had placed significant weight on the settlement for Diamond Works at £32/m^2 for the older section and £38.40/m^2 for the newer part. However, the panel in the current appeal did not find Diamond Works to be a good comparison. Whilst like the subject property, it was located in Halesowen, it was considerably smaller at 369.4m^2.

29. The panel found that the best evidence in this appeal was the new letting that had taken place on Lye Cash & Carry. The other rents provided in evidence had been subject to rent reviews, which attached less weight than a new lease. This letting provided a rent set just seven months after the AVD, which analysed to £21.06/m^2. This was a comparable property, albeit the subject property was approximately 740m^2 smaller.

30. Having regard to the analysed rent on Lye Cash & Carry, it did suggest to the panel that the existing base rate of £32/m^2 applied to the subject property was excessive. However, it was not convinced that a rate as low as £23/m^2 was justified. Whilst the panel placed greatest weight on this rent, the panel accepted Mr Fox's statement that the subject property was better located on a major trunk road and near the motorway network.

31. The panel found that a reduce base rate of £30/m^2 more adequately reflected the subject property and its locality. Whilst there was some doubt over the reliability of the subject rent, a base rate of £30/m^2 was not too distant from its analysed rent of £31.66/m^2. The panel also noted that it sat neatly with the base rates applied to Stainless Fittings, Vanguard Foundry and Lye Cash & Carry, which were all similar sized comparable properties in the general locality.

Conclusion

32. In view of the above conclusions, the panel allowed the appeal in part. It determined that the current base rate for the subject property of £32/m^2 was excessive. However, the panel was

not persuaded that a reduction to £23/m^2 was justified. The panel determined that a reduced base rate of £30/m^2 was more in line with the rate applied to comparable properties in the general locality. This resulted in an assessment of £70,500 RV, with effect from 1 April 2023. The valuation is shown below:

Floor	Description	Area m^2	£/m^2	Value £
Ground	Workshop	1966.4	£30.00	£58,992
Ground	Workshop	69.6	£30.00	£2,088
Ground	Office	9.1	£32.18	£293
Ground	Office	292.4	£36.00	£10,526
Ground	Office	91.6	39.60	£3,627
Ground	Workshop	101.2	30.00	£3,036
Ground	Lean To Storage	74.17	£21.94	£1,627
Ground	External Storage	8.4	£21.94	£184
Ground	Store	23.2	£23.07	£535
Ground	Canopy	38.9	£4.39	£171
Additional features of the property included in the valuation				
	Storage Container	49.60	£15.00	£744
	Storage Container	14.40	£15.00	£216
	Plant and Machinery			£603
	Sub Total			£82,642
Adjustments made to the sub total				
Access		- 5.00%		£4,132
Mixed eaves height		- 2.50%		£1,963
Sloping site		- 7.50%		£5,741
Total Value				£70,806
Say £70,500 Rateable Value, with effect from 1 April 2023				

Order

33. As a consequence of the above decision, the Valuation Officer is ordered to reduce the 2023 Rating List entry to £70,500 RV, with effect from 1 April 2023, within two weeks of the date of this Order.

Refund of fees

34. 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

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 CM Taylor, Senior Member (Chair)
Miss S Akhtar, Member
24 December 2025

Mrs R James
Clerk to the Tribunal
Date issued to the parties: 24 December 2025