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

Case No: CHG101256575

Sitting remotely using Microsoft Teams

Date: 15 August 2025

SCHEDULE 11 TO THE LOCAL GOVERNMENT FINANCE ACT 1988

RATING — Local Government Finance Act 1988 — public house and premises; level of fair maintainable trade and overtrading in dispute; comparable properties; Approved Guide; appeal dismissed.

Before:
MR A HUSSAIN
MRS U NASEEM

Between:

KEN AMOR T/A THE OLD LONDON APPRENTICE **Appellant**

- and -

ANDREW MOULAND (VALUATION OFFICER) **Respondent**

Regarding:
OLD LONDON APPRENTICE, 2 HAMBRIDGE ROAD, NEWBURY, RG14 5SS
(the "subject property")

Mr C Wright from Pubs Advisory Service Ltd, representing the Appellant
Mr J Reene for the Respondent

Hearing date: 6 August 2025

DECISION AND STATEMENT OF REASONS

Decision

1. The appeal is dismissed.

2. The Tribunal finds that the existing valuation of the subject property is reasonable, and confirms a rateable value (RV) of £20,000 with effect from 1 April 2023.

Introduction

3. This is a 2023 rating list appeal. The Old London Apprentice, 2 Hambridge Road, Newbury, RG14 5SS (the subject property) had been entered in the 2023 rating list as 'public house and premises' at £20,000 RV with effect from 1 April 2023. This had been based on adopted fair maintainable trade (FMT) of £265,000.

4. The challenge proposal was submitted by Pubs Advisory Service Ltd on behalf of Ken Amor T/A The Old London Apprentice, and was received by the Valuation Officer on 7 August 2024. It had been made on the grounds that the RV shown in the rating list on 1 April 2023 was inaccurate. A revised RV of £15,000 was proposed, based upon an adopted FMT of £198,413.

5. The Valuation Officer issued a challenge case decision notice on 29 November 2024, which disagreed with the proposed alteration of the list, and stated that the rating list entry was reasonable based on the evidence and information available.

6. 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 Pubs Advisory Service Ltd on behalf of the appellant, and received by the Tribunal on 17 March 2025.

7. The subject property is a purpose-built public house located on the junction of Boundary Road and Kings Road in Newbury. It has the benefit of a beer garden to the side and front, and dedicated parking spaces to the rear.

8. At the hearing, Mr Wright confirmed that he appeared as advocate for the appellant. Mr Reene appeared as advocate and expert witness for the Valuation Officer.

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

Relevant Law

10. Rateable value is determined in accordance with paragraph 2(1) of Schedule 6 to the Local Government Finance Act 1988, which provides:

    "(1) 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.

11. 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, in accordance with the Rating Lists (Valuation Date) (England) Order 2014 (SI 2014 No. 2841).

12. 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 No. 556) as amended. In respect of the subject appeal, the material day is 1 April 2023.

13. As the subject property had been valued as a public house and premises, its valuation was based on fair maintainable trade (FMT) and the application of the 2023 Approved Guide for the Valuation of Public Houses (the approved guide), agreed between the Pubs Rating Forum and the Valuation Office Agency.

Discussion

14. The only issue to be determined by the panel is the FMT to be adopted in the valuation of the subject property; both parties had applied the same percentage point of 7.56% in their valuations.

15. On behalf of the appellant, Mr Wright submitted that the Valuation Officer had failed to demonstrate that the statutory regulations had been followed when assessing the RV for the subject property. The appellant had found the basis of the assessment to be unclear and believed that the Valuation Officer had placed disproportionate emphasis on actual trade, which had resulted in a “turnover tax” which penalised the business for its performance and success.

16. Mr Wright submitted that the present valuation lacks consideration for the appellant’s goodwill and investment, and should reflect overtrading for the following reasons:

“The owner is award winning with West Berkshire CAMRA Community Pub of the Year 2018. The pub has become an integral part of the community and regularly hosts charitable days they also hold raffles, virtual race nights, find the joker, beer festivals and also support customers running marathons or 10k runs. The business owner buys good quality fresh local produce (low food miles) and looks to employ locally. The business owner goes over and beyond what is expected of the reasonable occupier and are significantly overtrading.”

17. In support of his proposed RV of £15,000, Mr Wright referred to the following comparable properties, which he described as being in superior locations with higher footfall and passing trade:

- Coopers Arms, Bartholomew Street, RG14 5LL - £12,900 RV
- The Lion, 39 West Street, RG14 1BE - £14,700 RV
- King Charles Tavern, 54 Cheap Street, RG14 5BX - £27,500 RV
- The Bacon Arms, 10 Oxford Street, RG14 1JB - £17,500 RV

18. The panel was requested to confirm an RV of £15,000, based upon an FMT of £198,413.

19. On behalf of the Valuation Officer, Mr Reene defended the present RV of £20,000 based upon an FMT of £265,000. He confirmed that the valuation of the subject property had been conducted in line with the Approved Guide, which made specific reference to the effects of COVID-19:

    The assessment of FMT is a matter of judgment for the valuer depending on all the relevant factors. For the 2023 revaluation, with an AVD of 1 April 2021, the effects of the COVID-19 outbreak need to be taken into account as they would have been anticipated by the parties at the AVD. Trade evidence that includes long periods of lockdowns is unlikely to provide good evidence of the FMT at the AVD. Valuers are advised to follow market practices and take, as their starting point, the closest reliable trade. This is likely to be the 2019/2020 trading year and any previous trading years. Any short periods of lockdown within those years will need to be adjusted for.

    Having established the FMT from the closest reliable trade, the valuer should then consider any further adjustment needed to reflect the receipts envisaged as at 1 April 2021. The parties are assumed to be agreeing a tenancy from year to year with a reasonable prospect of continuance. As such, they will not only take a view on the FMT immediately achievable at AVD, but the FMT over a period of time ahead. The hypothetical parties will therefore anticipate the likely course of COVID-19 and its effects on trade (lockdowns etc). The parties will also consider the potential recovery of trade, from the effects of Covid-19 and national lockdowns, taken over the duration of the hypothetical tenancy.

20. In line with the guide, the actual trade figures for 2019 and 2020 had been taken as a starting point:

    Year ending 31/3/2019

    FMT £404,324

    Year ending 31/3/2020

    Liquor - £342,262
    Food - £8,293
    AMWP - £27,633

    Total FMT £380,188

21. In consideration of the trade achieved in 2019 and 2020, and taking into account a 30% COVID-19 adjustment for a Category 3 public house, Mr Reene contended that the adopted FMT of £265,000 was reasonable. In response to the appellant's case, Mr Reene disputed Mr Wright's reliance on Category 1 public houses, and further disputed that overtrading had been evidenced at the subject property.

22. With reference to the Approved Guide, the panel noted that overtrading is described as *"Any element of trade which is considered attaches to the operator (and thus would move with them) and which is not capable or expected to be replicated"*.

23. The panel was not persuaded that there was compelling evidence to support Mr Wright's contention that the assessment of the subject property should reflect overtrading. The panel found that there was no specific factor which could not be replicated by a reasonably efficient operator.

24. The panel noted Mr Wright's reference to a lack of comparable evidence provided by the Valuation Officer. The panel considered that while reference to comparable properties may be relevant for a stand back and look approach, the comparable method is not used for the assessment of public houses. The starting point is the consideration of actual trade. It was also significant to the panel that there were no other public houses within the immediate locality of the subject property.

25. For the reasons outlined by the Valuation Officer, the panel found that Mr Wright's comparable properties were not directly comparable, and therefore not suitable for a stand back and look approach:

Coopers Arms - £12,900 RV (£175,000 FMT @ 7.2%)

A wet-led pub with limited outside space, situated within the town centre circuit. Subject to a 17.5% covid adjustment.

The Lion - £14,700 RV (£255,000 FMT)

A stronger food offering, but with a smaller outside area and no parking in a town centre location. Subject to a 17.5% covid adjustment.

King Charles Tavern - £27,500 (£331,000 FMT @ 8.3%)

Traditionally a stronger food offering, but currently more wet-led, in a town centre location. Subject to a 17.5% covid adjustment.

The Bacon Arms - £17,500 RV (£301,000 FMT @ 5.8%)

Historically not wet-led, 2/3 of FMT relates to accommodation and food. Subject to a 17.5% covid adjustment.

26. In full consideration of the parties evidence and submissions, the panel decided to uphold the Valuation Officer's approach of considering FMT in 2019 and 2020, and adjusting by 30% for COVID-19, in line with the Approved Guide. The panel was not persuaded by Mr Wright's approach of adopting an FMT of £198,413, which appeared to have been influenced by his reliance on comparable properties and reverse engineered to arrive at his proposed RV of £15,000.

Determination

27. In view of the above findings, the panel concluded that it had not been demonstrated that the present RV of £20,000 was unreasonable, and therefore the appeal was dismissed.

Right of further appeal

28. 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 on which this decision and statement of reasons is issued.

29. 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 Amran Hussain, Senior Member

Mrs U Naseem, Member

15 August 2025

Mrs L Horne
Clerk to the Tribunal
Date issued to the parties: 15 August 2025