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

Case No: CHG101308486

Sitting remotely using Microsoft Teams on 12 June 2026

Date: 9 July 2026

SCHEDULE 11 TO THE LOCAL GOVERNMENT FINANCE ACT 1988

2023 Rating list appeals; Shops and premises; Local Government Finance Act 1988; Lotus and Delta v Culverwell (VO) & Leicester City Council [1976] RA 141; Proposals seeking a lower £ per m² for all appeals; Appeal allowed in part.

Before:

MR C BUSST
MRS L HAYHURST

Between:

VITESSE PLC — **Appellant**

- and -

NICOLA JOHNSON (VALUATION OFFICER) — **Respondent**

Regarding:

UNIT 1 AND 2, AT 96-108 ORMSIDE STREET, LONDON SE15 1TF
(the "subject property")

Appearances:
Mr J Fitzsimmons of Ryan Property Tax Services Ltd, for the Appellant
Mr G Singh Taak, for the Respondent

DECISION AND STATEMENT OF REASONS

DECISION

1. The appeal is allowed in part.

2. The panel determined that the rateable value (RV) of the subject property in the 2023 rating list, with effect from 1 April 2023, is £36,500

STATEMENT OF REASONS

Introduction

3. This decision and statement of reasons is not a verbatim or contemporaneous record of the proceedings.

4. Mr Fitzsimmons appeared on behalf of the Appellant and Mr Singh Taak appeared on behalf of the Respondent, both as advocates and expert witnesses. Mr Fitzsimmons also declared that he was representing the Appellant on a conditional fee basis. Both representatives accepted that, when presenting evidence as expert witnesses, their duty was to the Tribunal irrespective of whether their evidence supported their respective arguments. Mindful of the Upper Tribunal's judgment in *Gardiner & Theobald LLP v David Jackson (VO)* [2018] UKUT (LC), 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 Tribunal's 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). It was therefore appropriate for the panel to consider the expert evidence and assess what weight, if any, to give it in the context of the issues before it.

5. The subject property is a ground floor 'warehouse and premises', which is located on Ormside Street, north of the Old Kent Road (A2) in London which, it was understood, had been built in the 1940's. It is 296.73m^2 in size (which was not in dispute) and had entered the 2023 rating list with effect from 1 April 2023 with an RV of £38,000 (based upon an unadjusted rate of £130 per m^2).

6. A Challenge was submitted to the Respondent in accordance with the Non-Domestic Rating (Alteration of Lists and Appeals) (England) Regulations 2009 on the grounds the RV was unreasonable and should be reduced to £34,000. The Challenge was on the grounds that two allowances of 5% each should be made to reflect disadvantages caused by split units and shared toilet facilities. The Respondent decided that the Challenge was not well-founded and a decision was issued to this effect. An appeal was subsequently submitted to the Tribunal. After the submission of the appeal, the Respondent increased the RV of the subject property to £38,500 (to reflect the presence of full central heating) and the Appellant revised the reduction being sought to £34,500.

Relevant Law

7. 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 to the Local Government Finance Act 1988). These are well known to the parties and so it is not considered necessary to set them out in this decision and statement of reasons. The date of the hypothetical rent was 1 April 2021 and matters which affect the physical state or enjoyment of the property or the locality were to be taken at 1 April 2023 (the material date).

Discussion

8. There were two matters for the Tribunal to determine, (1) a 5% allowance to reflect the split nature of the units and (2) a 5% allowance to reflect the existence of shared toilet facilities.

9. The starting point, in accordance with the Lands Tribunal judgment of *Lotus and Delta v Culverwell (VO) and Leicester City Council* [1976] RA 141 is the is the passing rent in respect of the subject property. This was reported by the Respondent to be a new letting from August 2022 at £172,000 per annum. The Respondent argued that this demonstrated that the subject property was under assessed at £38,500 and, therefore, no allowance was supported. However, Mr Fitzsimmons advised that the freehold owner and lessee company were connected parties. Given this, the panel concluded that no significant weight should be given to the passing rent. If the Respondent considered the subject property to be under assessed then steps should have been taken to alter it.

<u>*Split units allowance*</u>

10. Mr Fitzsimmons argued that units were generally of inferior quality which were physically divided by a structural wall. This disability reduces the cohesive and efficient usability of the subject property which, in turn, would reduce the rental bid of the hypothetical tenant.

11. Mr Singh Taak explained that the subject property was largely open plan, highlighting the inter-connectivity and freedom of movement between the units which was provided by the presence of double doors.

<u>*Shared toilet facilities*</u>

12. Mr Fitzsimmons explained that a block of four toilets located to the rear of the subject property which were included within the assessment of the subject property were shared with the occupiers of a neighbouring unit. Whilst there was a gentleman's agreement for them to specifically use two each there was, in reality, no exclusivity and this disadvantage would also negatively impact the rental bid of the hypothetical tenant.

13. Mr Singh Taak explained that the Appellant and the occupiers had private use of two toilets each and so any inconvenience caused was minimised.

14. In support of both arguments, Mr Fitzsimmons referred the panel to a summary of what he considered to be comparable assessments which showed that the Respondent had conceded similar allowances in respect of other assessments in the general locality. Mr Fitzsimmons noted that no similar allowance had been made in respect of other properties in the same road, but this, he said, did not prevent the allowances sought from being granted. Mr Fitzsimmons argued that each 5% allowance was proportionate because they reflect the competitive disadvantages that were present when compared with other truly open plan warehouses. Mr Singh Taak pointed out that allowances are granted on the individual merits of the property in question, adding that it did not necessarily follow that an allowance should be made in respect of the subject property because allowances had been granted elsewhere.

Conclusion

15. The panel placed little weight upon the list of properties provided by Mr Fitzsimmons which showed that other properties in the locality had been granted allowances. This evidence only served to confirm what the panel already knew; that allowances were made by the Respondent to reflect disadvantages that are accepted as negative factors which

detrimentally impact the rental bid of a hypothetical tenant. Furthermore, the majority of the examples provided bore little or no comparability with the circumstances of the subject property.

16. On the issue of split units, the panel found that whilst there was a degree of inter-connectivity created by some double doors, the freedom provided by a truly open plan property was limited by the presence of a structural wall which impaired the ability to move freely and impaired circulation. This would be reflected in the rental bid of a hypothetical tenant. However, an allowance of 5% was not reasonable. Overall, the panel concluded that an allowance of 2.5% was appropriate.

17. On the second issue of shared toilet facilities, the panel found that whilst the Appellant had paramount control of the toilet facilities, there was no exclusivity and the privacy that existed was attributable to the informal sharing agreement. This too would be reflected in the rental bid of a hypothetical tenant but 5% was not reasonable. Overall, the panel concluded that an allowance of 2.5% was appropriate.

18. In view of the panel's findings, this appeal is allowed in part and the RV of the subject property is altered to £36,500 with effect from 1 April 2023 as set out below.

	m^2	£ per m^2	Value
Ground floor warehouse	164.98	130.00	21,447
Ground floor warehouse	131.75	130.00	17,128
	296.73		**38,575**
Allowance for split units - 2.5%			964
Allowance for shared facilities - 2.5%			964
			36,646
		RV SAY:	**36,500**

Order

19. In accordance with regulations 38(4) and 38(9) of the Valuation Tribunal for England (Council Tax and Rating Appeals) (Procedure) Regulations 2009 the Valuation Tribunal for England orders the Respondent to alter the rating list entry in respect of the subject property to £36,500 with effect from 1 April 2023.

Right of further appeal

20. 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.

21. 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 C Busst (Senior Member and Chair)
Mrs L Hayhurst (Panel Member)

Mr A Johnson
Clerk to the Tribunal

Date issued to the parties: 9 July 2026