IN THE VALUATION TRIBUNAL FOR ENGLAND
IN THE MATTER OF 2023 RATING LIST APPEALS

Case Number: various

Sitting remotely using Microsoft Teams on 9 March 2026

Date: 7 April 2026

SCHEDULE 11 TO THE LOCAL GOVERNMENT FINANCE ACT 1988

2023 rating list appeal; Local Government Finance Act 1988; Lotus and Delta v Culverwell (VO) & Leicester City Council [1976] RA 141; £ per m^2 in dispute; Appeals dismissed.

Before:
MR S WOOD
PROFESSOR I SOLANKE
MS E MILLER

Between:
SISU CANNOCK LIMITED **Appellant**

- and -

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

Regarding:

UNITS 7, 10, 12, 13,15, 20, 23, 25, 33-34, 37 & 46 CANNOCK SHOPPING CENTRE, MARKET HALL STREET, CANNOCK WS11 1EB
(the “subject units”)

Appearances:
Mr Mark Hayes of CBRE Limited, representing the Appellant
Mr Vesa Poikonen director of the Appellant as a witness of fact
Mr B Walker, representing the Respondent

DECISION AND STATEMENT OF REASONS

DECISION

1. The appeals are dismissed. The panel made no changes to the rateable values (RV's) of the subject units in the 2023 rating list.

STATEMENT OF REASONS

Introduction

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

3. The two appeals raised common arguments and so they were consolidated into a single hearing in accordance with regulation 6 of the Valuation Tribunal for England (Council Tax and Rating Appeals) (Procedure) Regulations 2009. The panel was satisfied that all the evidence before it was admissible in accordance with regulation 17A(1)(b) of the same Regulations.

4. The subject units are located within the Cannock Shopping Centre, Market Hall Street, Cannock. Challenges were submitted to the Respondent in accordance with the Non-Domestic Rating (Alteration of Lists and Appeals) (England) Regulations 2009. Factual matters, such as the sizes of each unit was not in dispute. The Challenges sought revised RV's in respect of the subject units as set out below.

5. The Appellant was represented by Mr Mark Hayes of CBRE Limited on a contingency fee basis. The Respondent was represented by Mr Ben Walker. The representatives appeared in the dual roles of advocate and expert witness, and they both acknowledged and accepted that when presenting evidence as expert witnesses, their duty was to the tribunal irrespective of whether their evidence supported their case. 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. Furthermore, it 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.

6. Mr Vesa Poikonen, the director of the Appellant company which owns Cannock Shopping Centre, appeared as a witness of fact.

Relevant Law

7. The subject properties 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 is 1 April 2021 and matters which affect the physical state or enjoyment of the property or the locality were to be taken was 1 April 2023.

8. The leading judgment in the Lands Tribunal case of *Lotus and Delta v Culverwell (VO) and Leicester City Council* [1976] RA 141 set out the six propositions to have regard to when considering the weighting of evidence and expert opinion. As with the aforementioned legislation, these propositions are well known to the parties and so the panel did not consider it necessary to set them out in this decision and statement of reasons.

Discussion

9. It is noted that when calculating the rental analyses below, Mr Hayes and Mr Walker had stripped out any applicable service charge.

10. Mr Hayes explained that the units under appeal had been selected as test cases with the intention of establishing the tone of value to be applied to them. It was his expectation that, once established, their RV's would assist in establishing the RV's to be applied in respect of the remaining units.

11. A summary of the eleven units is as follows:

	Floor	**£ per m^2 Compiled list entry**	**£ per m^2 after Challenge**	**£ per m^2 Sought at appeal**	**Location as per the GOAD plan**
Unit 7*	Ground floor	375	325	180	Yellow parade
Unit 20	Ground floor	320	280	150	Yellow parade
Unit 23*	Ground floor	375	325	180	Yellow parade
Unit 25	Ground floor	375	325	150	Yellow parade
Unit 10	Ground floor	320	280	150	Light green parade
Unit 33-34	First floor	270	200	120	Dark green parade
Unit 12	Ground floor	280	250	1	Blue parade
Unit 13	Ground floor	280	250	1	Blue parade
Unit 15	Ground floor	60	50	1	Blue parade
Unit 37	First floor	80	60	1	Red parade
Unit 46	First floor	270	200	1	Red parade

*£150 per m^2 plus £30 per m^2 to reflect the return frontages of these units

12. In support of £150 per m^2 for units 7, 20, 23 and 25 (with an additional £30 per m^2 in respect of units 7 and 23 to reflect the benefit of their return frontages), Mr Hayes specifically referred to the following:

- **Unit 28/29 – MIND**
  - new open market lease
  - rent of £30,000 per annum from 29 October 2023
  - analysed to £154.71 per m^2
  - considered by Mr Hayes to provide the best evidence for the parade

- **Unit 23 – Costa Limited**
  - lease renewal
  - rent of £22,500 per annum from 14 December 2023 – previously £30,000 per annum plus a turnover element
  - analysed to £338.65 per m^2

- **Unit 24 – EE Limited**
  - lease renewal
  - rent of £18,500 per annum from January 2023 – previously £48,000 per annum
  - analysed to £306.39 per m^2

- **Unit 25 – Cardshop**
  - lease renewal
  - rent of £13,000 per annum from 28 February 2023 – previously £27,000 per annum when occupied by an independent tenant
  - analysed to £234.72 per m^2

- **29 Market Hall Street (Unit 3) – Gillpharm**
  - lease renewal
  - rent of £35,000 per annum from 20 April 2018 – contractual sale of the business to new owners
  - analysed to £461.77 per m^2

- **27 Market Hall Street (Unit 2) – Co-operative Travel**
  - lease renewal
  - rent of £25,000 per annum from 4 March 2019
  - analysed to £458.47 per m^2

- **25 Market Hall Street (Unit 1) – JD Sports**
  - lease renewal
  - rent of £20,000 per annum from 9 January 2023
  - analysed to £207.19 per m^2

- **26/27 Market Hall Street – New Look**
  - lease renewal
  - nil rent from January 2024 – tenant pays the service charge and business rates
  - analysed to £0 per m^2

- **Unit 7 – GID Jewellers**
  - rent of £27,000 per annum from 4 July 2016
  - accepted as being to remote from the AVD but £150 per m^2 sought on the basis of the MIND letting in respect of unit 28/29 (plus £30 for the return frontage)
  - analysed to £419.80 per m^2

13. In support of £150 per m^2 for Unit 10, Mr Hayes specifically referred to the following during the hearing:

- **Unit 10 – Little Italy**
  - new letting, considered to be the best evidence for the parade
  - rent of £12,000 per annum from 24 September 2020
  - analysed to £148.24 per m^2

- **Unit 22 – Huff & Puff**
  - new letting - considered to provide good evidence as the adopted value.
  - rent of £17,500 per annum from 21 April 2023
  - analysed to £217.04 per m^2

- **Unit 21 – Holland & Barrett**
  - lease renewal
  - rent of £12,500 per annum from 19 January 2023
  - analysed to £222.90 per m^2

- **Unit 19 – East Living**
  - new letting
  - rent of £13,000 per annum from 10 May 2023
  - A deal brokered by the local council to relocate them from a nearby property
  - analysed to £205.18 per m^2

- **Unit 11 – Specsavers**
  - new letting
  - rent of £25,000 per annum from 19 January 2017
  - analysed to £274.06 per m^2

- **Unit 9 – The Works**
  - lease renewal
  - nil rent from 9 July 2020
  - analysed to £0 per m^2
  - considered to be an outlier by Mr Hayes as the tenant had leverage during the negotiations (Covid) and was intended to be a short-term deal by the landlord to allow flexibility to find a longer term tenant who was prepared to pay a rent

- **Unit 8A – Kiss & Make Up**
  - lease renewal
  - rent of £12,000 per annum from 8 April 2020
  - analysed to £329.50 per m^2

- **Unit 8B – Game**
  - lease renewal
  - nil rent from 15 June 2020
  - analysed to £0 per m^2

14. In respect of Unit 33/34, it was stated that an average had been taken of the analysed rent of it and the rent of Unit 35 which was then adjusted back to the AVD to arrive at £120 per m^2. The rent for Unit 33-34 was effective from 18 September 2023 and analysed to £135.42 whilst the rent in respect of Unit 35 was effective from 19 January 2024 and analysed to £84.83. This averaged to £110.12 per m^2 before adjustment. Mr Hayes also referred to the following, which included three new leases:

- **Unit 32A – Fone Station**
  - new lease
  - rent of £5,400 per annum from 28 December 2023
  - analysed to £176.48 per m^2

- **Unit 32B Market Hall Street – Trendy Tanya**
    - new lease
    - rent of £6,410 per annum from 1 March 2021
    - analysed to £159.34 per m^2

- **Unit 35 Market Hall Street – HS**
    - new lease
    - rent of £3,504 per annum from 19 January 2024
    - analysed to £84.83 per m^2

- **Unit 36 – Nong's Hairdressing**
    - Lease renewal
    - rent of £8,000 per annum from 1 September 2020
    - analysed to £306.45 per m^2

15. As far as Units 12, 13 and 15 were concerned (of which £1 per m^2 was sought), Mr Hayes argued that they are located in a quiet cul-de-sac area with no visibility from the road and were the lowest value ground floor units in the shopping centre. These units placed the landlord in a negative position and were de-minimis in terms of their value.

- **Unit 12**
    - previously occupied by Select Fashion who vacated the unit as a result of a company voluntary arrangement; they had a turnover rent of 7.5% of turnover up to £250,000 then 10% at £300,00 or above; Upper turnover threshold was never met; payments received did not cover the annual service charge of £15,000
    - analysed to £0 per m^2
    - since let to a florist wholesaler from March 2023 at a rent of £7,950 per annum

- **Unit 13**
    - let to the YMCA from June 2023 at £5,000 per annum
    - additional service charge of £12,325 per annum
    - the tenant could not make a success of its occupation and exercised the break clause
    - analysed to £0 per m^2

- **Unit 15**
    - let to Poundstretcher from 19 June 2023 with a turnover rent of 10% above sales in excess of £500,000, inclusive of a service charge
    - no rent paid as the £500,000 threshold has not been met
    - analysed to £0 per m^2

16. Turning to the first floor Units 37 and 46 (of which £1 per m^2 was sought), Mr Hayes argued that they too are located in a quiet cul-de-sac area of the shopping centre. These units placed the landlord in a negative position and were de-minimis in terms of their value. Mr Hayes added that the bus station was accessed via the first floor of the shopping centre and a reduced bus service since March 2020 had contributed to a reduction in footfall, adversely affecting the shopping centre. Mr Walker pointed out that persons accessing or exiting the shopping centre would have to pass unit 37 and so it was not in a cul-de-sac location

- **Unit 37 - DEA**
  - New letting with effect from 14 November 2024
  - rent is £12,000 per annum with a service charge of £39,506, so effectively a zero rent deal
  - analysed to £0 per m^2

- **Unit 46 - HM**
  - New letting with effect from 1 November 2024
  - rent is £15,600 per annum with a service charge of £14,819 and insurance of £1,000, so effectively a zero rent deal
  - analysed to £0 per m^2

17. Mr Hayes also referenced a recent ‘museum’ case, in support of reductions to £1 for the five units in question, in which the RV was reduced to £1. This, presumably, was the tribunal case between the Trustees of the Natural History Museum and Nicola Johnson [CHG101120169], which was heard by a vice president on 10 and 11 February 2026 with the decision being issued on 3 March 2026.

18. In addition to the reduced footfall caused by the reduced bus service, Mr Hayes argued that the opening of a McArthurGlen outlet less than half a mile away in March 2021 and the closure of a multi-storey car park in the summer of 2018 have significantly impacted the shopping centre.

19. The Respondent had, after considering the Challenges, determined there was no clear evidence within the shopping centre to support the alterations sought by the Appellant. Instead, the Respondent placed most weight upon a rent in respect of 10 Market Hall Street. This was a new letting with effect from 1 July 2020 which had been analysed to £317.91. Adjustments were then made to arrive at the current RV’s:

Yellow parade Ground floor units 7, 23 & 25	• located in more superior positions so £325 per m^2 is reasonable
Yellow parade Ground floor unit 20	• toned back from £320 per m^2 to £280 per m^2
Light green parade Ground floor unit 10	• toned back from £320 per m^2 to £280 per m^2
Dark green parade First floor unit 33-34	• first floor units considered less valuable, so toned back to from £270 per m^2 to £200 per m^2
Blue parade Ground floor units 12, 13, & 15	• toned back from £280 per m^2 to £250 per m^2 because they are in an inferior position. • there is no evidence to support £1 per m^2
Red parade – first floor (units 37 and 46)	• first floor units considered less valuable, so toned back from £80 per m^2 and £200 per m^2 to £60 per m^2 and £200 per m^2 respectively • there is no evidence to support £1 per m^2

Conclusions

20. The panel observed that Mr Hayes had relied upon some lettings where the tenant was experiencing trading difficulties, performance related rents or high service charges which distort the statutory rating hypothesis and so they became less reliable.

21. In terms of the units on the yellow parade, the panel found no compelling evidence to show that a reduction to £150 per m^2 was reasonable. Described as the best evidence the rent in respect of Unit 28/29, whilst analysing to £154.71 per m^2 had been agreed in October 2023, approximately thirty months post AVD. In view of this, the panel found that it could not attribute similar weight. Furthermore, the supporting rents significantly pre or post-dated the AVD and had analysed from £207.19 to £419.80 (if 26/27 Market Hall Street, which had been analysed to £0 is excluded). Overall, the panel concluded that the evidence relating to this parade did not support the alteration sought by Mr Hayes.

22. In terms of unit 10 on the light green parade, Mr Hayes had relied upon the evidence relating to Unit 10 itself, described as being the best evidence for this parade. This was a new letting from September 2020, which had analysed to £148.24. Mr Hayes then referred to Unit 22 as providing good supporting evidence. This analysed to £217.04. However, it was the product of a rent that was agreed in April 2023, twenty four months post AVD. When reviewing the other rents cited by Mr Hayes, the panel noted that they were remote from the AVD and had analysed from £205.18 per m^2 to £329.50 per m^2 (if excluding those which had analysed to £0). Overall, the panel concluded that the evidence relating to this parade did not support the alteration sought by Mr Hayes.

23. The panel concluded, in terms of Unit 33/34 on the dark green parade that taking an average between its analysed rent and that of Unit 35 before toning back was not a reliable method of arriving at the appropriate rate to be adopted, given that the rents had been agreed significantly after the AVD in September 2023 and January 2024. Overall, this evidence was not found to support the reduction sought by Mr Hayes.

24. The panel then turned to consider the units for which the Appellant was seeking alteration to £1 per m^2. The panel accepted that the more prominently and more accessible retail units will inevitably be more appealing to the hypothetical tenant and command a higher rent. The panel concluded however that it does not necessarily follow that the less desirable units have no or little value and should be reduced as sought by the Appellant. There was clear evidence of demand for retail units within the shopping centre at the AVD given that the majority of them were occupied at that time. The fact some were more difficult to let than others was certainly unfortunate, but it did not necessarily follow that they should be reduced to £1 per m^2 and effectively taken out of rating. The panel also reminded itself of The Supreme Court's judgement in *Telereal Trillium v* Hewitt [2019] UKSC 23 and, specifically, paragraph 58:

> "Whether the hereditament is occupied or unoccupied, or an actual tenant has been identified, at the relevant date is not critical. Even in a 'saturated' market the rating hypothesis assumes a willing tenant, and by implication one who is sufficiently interested to enter into negotiations to agree a rent on the statutory basis. As to the level of that rent, there is no reason why, in the absence of other material evidence, it should not be assessed by reference to 'general demand' derived from "occupation of other office properties with similar characteristics".

25. Whilst the five units in question were unoccupied at the AVD and were considered to present a negative return for the landlord because there was little or no interest in them it cannot be correct to reduce them to £1 per m^2 bearing in mind the Supreme Court's findings in *Telereal* and the statutory rating hypothesis.

26. The panel also attached little weight to Mr Hayes' reference to the recent museum case referred to above. This is because museums are in a different mode and category of occupation and are valued on a receipts and expenditure basis. As such, this is not a fair or appropriate comparison.

27. The panel also considered the three events which had occurred prior to the AVD and were said to have had a negative impact upon the rental values of the units within Cannock Shopping Centre. These, in summary, were the opening of a McArthurGlen outlet, the closure of a multi-storey car park and the reduced bus service. However, no compelling evidence had been provided to conclusively demonstrate the impact upon the rental bid of a hypothetical tenant on the material day. When questioned about footfall figures into the shopping centre, Mr Hayes advised that they were recorded but had not been submitted in evidence.

28. The panel also considered Mr Walker's reference to the ongoing regeneration of Cannock which he considered to be a benefit, understood to be at a cost of £44m, but no evidence was provided to quantify any benefit to the hypothetical tenant and how it would influence his rental bid on the material day.

29. There was limited 'clean' open market rental evidence before the panel. However, the panel found the evidence in respect of 10 Market Hall Street to be more persuasive. This was a new letting and although it was not part of the shopping centre, it was in the immediate locality and was free from service charges, thereby better reflecting the rating hypothesis. This had been agreed from 1 July 2020 and had been analysed to £317.91 per m^2. The Valuation Officer had, as a consequence, applied a tone of value to the shopping centre units at £300 per m^2 before adjusting for return frontages and prominence. The panel found no compelling evidence to show that this approach or the values adopted were unreasonable.

30. Ultimately, the burden of proof is with the Appellant and/or his representative to provide compelling evidence to show that the RV ascribed to a hereditament is unreasonable. The panel concluded that no such evidence had been provided as far as the subject properties are concerned and it dismissed the appeals.

Right of further appeal

31. 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.

32. 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 S Wood (Senior Member and Chairman)
Professor I Solanke (Panel Member)
Ms E Miller (Panel Member)

Mr A Johnson
Clerk to the Tribunal

Date issued to the parties: 7 April 2026