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

Case No: CHG101349905

Sitting remotely using
Microsoft Teams on
30 April 2026

Date: 19 May 2026

SCHEDULE 11 TO THE LOCAL GOVERNMENT FINANCE ACT 1988

RATING — Local Government Finance Act 1988; factory and premises; appeal against the accuracy of the rateable value of the hereditament; appeal dismissed.

Before:

MS A KALU
MS K PETRECZKY

Between:

ROBERT NICHOLS **Appellant**

- and -

AMANDA HITCHINGS
(VALUATION OFFICER) **Respondent**

Regarding:

CRABTREE, KINGSWAY TEAM VALLEY, GATESHEAD, NE11 0SU
(the "subject property")

The Appellant, the Appellant in person
Mr R Preston of Preston Tait Chartered Surveyors and Rating Surveyors for the **Appellant**
Mr S Hutchinson for the **Respondent**

DECISION AND STATEMENT OF REASONS

DECISION

1. The appeal is dismissed.

2. The Tribunal made no change to the rating list entry in respect of the subject property.

STATEMENT OF REASONS

Introduction

3. In accordance with regulation 13A of the Non-Domestic Rating (Alteration of Lists and Appeals) (England) Regulations 2009, the appeal has been made to this Tribunal on the grounds that the rateable value (RV) for the appeal property is not reasonable.

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

Background

5. The subject property is a factory and premises situated in Gateshead. It comprises a large industrial production complex constructed between 1961 and 1963, consisting primarily of a multi-bay workshop with associated office and storage accommodation. A later extension, known as the Weldex building, adjoins the eastern side and was constructed in 1996. The original structure has an eaves height of 9.3 metres, while the Weldex section has an eaves height of 10.8 metres. The Valuation Officer records the total area of the property at 9.079.39m^2.

6. The RV for Crabtree of Gateshead Ltd, Kingsway Team Valley Trading Estate, Kingsway South, Gateshead, NE11 0SU with effect from 1 April 2023 was £176,000.

7. The Appellant sought a reduction in the rateable value to £89,000, based on reducing the adopted rate for the main factory from £17.75/m^2 to £12.00/m^2 and for Workshop Part S186 from £39.50/m^2 to £13.50/m^2. The Appellant also contended that the gross internal area of the main production space had been overstated by 615m^2. In arriving at the revised valuation of £89,000, the Appellant included allowances of 10% for restricted access and limited turning space, and 5% for internal layout (fragmentation). The panel noted that a 5% allowance for access had already been applied in the existing assessment, meaning the Appellant was effectively seeking an additional 5% allowance.

8. The evidence submission before the panel comprised all the evidence disclosed and exchanged during challenge which included rental evidence and its analysis.

9. Mr Preston appeared on behalf of the Appellant as both advocate and expert witness. He stated that his company was being paid on a contingency fee basis but was aware that in giving expert evidence his responsibility was to the Tribunal.

10. The panel accepted this expert witness evidence on the above basis, as 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 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 in England). The panel, therefore, considered the “expert” evidence and attached such weight to it as it saw fit.

11. Mr Hutchinson for the Valuation Officer, appeared in the role of advocate only.

Preliminary issue

12. Mr Nichols and Mr Preston initially joined the hearing via a shared connection in a meeting room. After the hearing was opened, the Appellant’s representative began his presentation but could not be heard clearly. The hearing was briefly adjourned to allow the Appellant and his representative to rejoin using a laptop. Mr Preston then recommenced his presentation from the beginning.

Relevant Law

13. The term “rateable value” was defined in Schedule 6 to the Local Government Finance Act 1988 (as amended). The value was required to reflect an annual rent on the property, assuming a new letting with the tenant responsible for all rates, taxes, repairs and insurance. In respect of the 2023 rating list, the Rating Lists (Valuation Date) (England) Order 2020 (SI 2020 No.832) requires the rental levels to be taken on 1 April 2021. In respect of the subject appeals, the material day is 1 April 2023.

Discussion

14. The panel first considered the Appellant’s contention that the assessment was overstated by 615m². Although no detailed calculations had been submitted in advance, the Appellant’s representative argued at the hearing that the discrepancy arose from elements of the property, including certain bays, being double counted. However, the panel noted that at the Check stage it is the responsibility of the ratepayer to verify and confirm the accuracy of the Valuation Office’s records. The Valuation Officer stated that this issue had not been raised at either the Check stage or during the joint inspection of the property, and no supporting plans were produced to demonstrate the alleged discrepancy.

15. In addition, the Appellant’s valuation approach separated the property into components in a way that was difficult for the panel to reconcile with the existing assessment. Notably, when the total areas in both the current valuation and the Appellant’s proposed valuation were calculated, they each amounted to 9,079.39m², which was also the size in the valuation for the 2017 rating list. In the absence of clear and supporting evidence, the panel was unable to find in favour of the Appellant in relation to the accuracy of the size of the assessment.

16. The Appellant sought an allowance for layout and access, arguing that both the internal configuration and external arrangements of the property limited its usability. Internally, the layout was said to be inefficient, with only two goods vehicle access points serving four main workshop bays, the presence of support stanchions, and awkward internal routes to the Weldex extension. Externally, while car parking was shared, there was restricted access for lorries, with limited turning space relative to the scale of the building, minimal circulation space around the site, and no dedicated loading or unloading areas. It was also noted that the rear access road was frequently obstructed by other service vehicles. On this basis, the Appellant contended that allowances of 5% for internal fragmentation and an increased allowance for access were justified, over and above the 5% already applied. However, the panel noted that no supporting evidence, such as plans or photographs, had been provided to demonstrate how the layout or access arrangements adversely affected the valuation, or

to show how this compared with other assessments where higher allowances had been applied. Accordingly, based on the evidence presented, the panel did not consider that any further allowances were justified.

17. In considering the appropriate level of valuation, the panel had regard to the principles set out in *Lotus & Delta v Culverwell (VO) and Leicester City Council* [1976] RA 141.

18. The starting point was the actual rent passing on the appeal hereditament; however, the Appellant owned the property on a long lease, and therefore no actual rent was being paid.

19. The Valuation Officer therefore relied on indirect rental evidence from three comparable properties.

20. The first was Booker Cash & Carry, Gateshead, constructed in 1980. Form of Return (FOR) data indicated a lease renewal effective 1 September 2020 with a rent of £315,00 adjusted to £281,612, which had been analysed to approximately £36.00/m² over 7,979.7m². The property is of a broadly similar size, located approximately one mile from the subject property, although it has a lower eaves height of 6 metres. The Valuation Officer considered this supportive of the adopted rate, particularly for the newer section of the subject property which was more modern and had a superior eaves height. The Appellant, however, sought to distinguish it on the basis that it is of more modern construction and is used for retail rather than manufacturing.

21. The second property referred to was Crabtree of Gateshead Ltd, with a declared rent of £298,934 from October 2020, analysed at £35.72/m². The Appellant disputed the relevance of this evidence, stating that although it appeared to relate to the subject property, it was neither owned nor occupied by Crabtree. In their view, the rental figure likely related to an adjacent food factory, formerly bays one and two of the Crabtree building, which had been rebuilt within the past 10 years as a modern unit with a base rate of £62.50/m². At the hearing, Mr Hutchinson stated that the adjacent building was built in 2003, making it six years newer than the more recent section of the subject property. He stated that it had an inferior eaves height of 4.6 metres and a smaller floor area, yet attracts a higher rate, which he argued supported the reasonableness of the adopted rate applied to the subject property.

22. The third comparable was LNE Road Transport Ltd in Chester-le-Street. FOR data showed a lease renewal effective 1 March 2022 at a rent of £220,000, reflecting approximately £25.22/m² for a larger warehouse of about 10,462.7m². This property was constructed between 1965 and 1970 and according to the Appellant is located on a sought-after industrial estate in Chester-le-Street. The Valuation Officer stated that it had an eaves height of 5 metres, is located approximately four miles from the subject property and is of a broadly comparable size. Mr Hutchinson stated that he had relied on this property as evidence for assessing the older element of the subject property.

23. In terms of comparable assessment evidence, in addition to Booker Cash and Carry, the Valuation Officer had referred to Unit 1, Nest Road, Gateshead. This property, constructed in 1974, measured 9592.36m^2 and is located approximately three miles from the subject property. It has a lower eaves height of 3.7 metres. The Valuation Officer indicated that it had been agreed at £17.00/m^2, whereas Mr Preston suggested the correct figure was £15.75/m^2. Mr Hutchinson maintained that the base price was £17.00/m^2, subject to any adjustments for individual characteristics. Taking account of the age difference, the Appellant considered that a rate of £12/m^2 would be more appropriate.

24. Mr Hutchinson emphasized the strong location of the subject property, which the Appellant accepted as generally prime, albeit not necessarily ideal for the specific business conducted.

25. The Appellant submitted that the subject property is significantly older than the comparable properties relied upon by the Valuation Officer and, as such, is the highest-rated property of its type in Gateshead despite its age. He contended that the main building should be assessed at a rate of £12/m², reflecting the absence of roof and wall insulation in the principal production areas and the poor condition of the roof glazing in the main workshop, which he described as hazardous and in need of replacement. The metal frames supporting the roof lights have deteriorated to the extent that full renewal is required, the cost of which he considered disproportionate given the low value of the building. Nets have been installed to catch falling fragments of glazing, which he argued should not be treated as a tenant's repair obligation.

26. He further maintained that the Weldex section should not be assessed as a modern unit but should instead attract only a modest uplift on the rate applied to the main building. In addition, the first-floor offices above Bay 7, measuring 393.4 m², are partitioned off and unusable due to asbestos ceiling tiles and should therefore be excluded from the assessment. The heating system was described as obsolete, resulting in no effective heating within the main production areas.

27. The Appellant also referred more generally to the poor state of the property. Due to issues with the roof, the building is cold, damp, and poorly lit, leading to water ingress in Bays 3, 4, 5, and 6, which are no longer in use. Upper-floor areas have similarly been sealed off because of the conditions and the presence of asbestos, raising health and safety concerns. At the hearing, he stated that operations had been reduced to approximately 20% of the premises, being the only area offering some protection from the elements, alongside a downturn in demand for the company's products. He also noted that the property had been marketed for sale but had failed to attract a buyer due to its condition.

28. Mr Hutchinson stated that the issue of asbestos had not been raised at an earlier stage and referred to the statutory assumption that the property should be regarded as being in a reasonable state of repair.

29. The panel considered the statutory definition of rateable value set out in paragraph 2(1) of Schedule 6 to the Local Government Finance Act 1988. This includes the assumption that the hereditament is in a state of reasonable repair, except for any works which a reasonable landlord would regard as uneconomic. It is also assumed that the tenant is responsible for the cost of repairs, insurance, and other expenses necessary to maintain the property in a state capable of commanding the relevant rent.

30. As the Appellant had not provided evidence of the nature or cost of the required works, the panel was unable to conclude that the repairs would be uneconomic. Accordingly, it applied the statutory assumption that the property was in reasonable repair and could not make allowances for its physical condition. The panel also noted that any downturn in demand for the Appellant's products was not a material consideration, as the valuation must reflect the rent that a hypothetical tenant would reasonably be expected to pay at the antecedent valuation date of 1 April 2021.

31. The Appellant contended that rental evidence for properties of a similar age to the Crabtree premises in the North East is scarce, necessitating the need to derive the hypothetical rental rates from evidence relating to more modern buildings. In support, a schedule of comparable

properties across the North East was provided, indicating rates ranging from £5.36 to £15.50 per m², alongside additional comparables further south, primarily in Yorkshire, where rates ranged from £9.02 to £18.23 per m². Mr Hutchinson highlighted that these assessments spanned a 150- mile radius from the subject property.

32. However, the panel encountered difficulty in placing weight on this evidence, as the list was unsupported by sufficient detail. No photographs were provided of either the subject property or the comparables, and there was a lack of information regarding their age, size, or precise location. As a result, it was not possible to properly assess their comparability with the subject property. On this basis, the panel was not satisfied that the Appellant had demonstrated that the valuation of the subject property was unreasonable.

33. At the hearing, Mr Preston sought to introduce recent settlement evidence relating to a property in South Sheffield, to which Mr Hutchinson objected.

34. In determining whether to admit this evidence the panel had regard to *Simpsons Malt & Others v Craig Jones (VO) & Others* [2017] UKUT 0460. In that case, the Upper Tribunal advised that panels should apply the three-stage test set out in *Denton v TH White Ltd* [2014] WLR 3926 before deciding whether to impose a sanction. The first stage requires an assessment of the seriousness and significance of the breach; where it is neither serious nor significant, relief will ordinarily be granted. The second stage involves considering the reasons for the failure or default; if there are good reasons, relief will usually be granted. At the third stage, the Tribunal must consider all the circumstances, including the need for cases to be conducted efficiently and at proportionate cost, the possibility that refusing relief could result in an incorrect liability, and the importance of enforcing compliance with procedural rules, directions, and orders.

35. The panel concluded that there had been a breach which was both serious and significant, as the Appellant's representative had failed to make a timely application to introduce the evidence, and the Valuation Officer had not been given an opportunity to consider or respond to it in advance of the hearing. Mr Preston stated that the settlement evidence had only recently come to his attention and that he was unaware of the requirement to make a formal application. The panel did not consider this lack of awareness to constitute a good reason for the failure to comply with the Tribunal's directions, which clearly state that any application to rely on new evidence must be made in writing no later than four weeks before the hearing. In those circumstances, and in the interests of justice, the panel determined that the new evidence should be excluded, as Mr Hutchinson had not been afforded a fair opportunity to investigate or rebut it.

Conclusion

36. Having regard to all the valuation evidence, the panel was not satisfied that the Appellant had demonstrated that the assessment adopted by the Valuation Officer was excessive or unreasonable. While the Appellant put forward a range of adopted rates drawn from various properties, these spanned a wide spectrum and were unsupported by sufficient evidence to establish their comparability with the subject property. In the absence of detailed information regarding the location, age, size, and specification of those properties, the panel was unable to place significant weight on them or to derive a reliable alternative valuation.

37. Accordingly, the panel found that the Appellant had not discharged the burden of proof to show that the rateable value was incorrect, and the appeal was therefore dismissed with no alteration to the rating list.

Right of further appeal

38. 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.

39. 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/.

Ms A Kalu, Senior Member (Chair)
Ms K Petreczky, Member
19 May 2026

Mrs K Edhouse-Thomas
Clerk to the Tribunal
Date issued to the parties: 19 May 2026