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

Case Nos: CHG101397813
CHG101412674
CHG101412691

Sitting remotely using
Microsoft Teams on
07/05/2026

Date: 6 June 2026

SCHEDULE 11 TO THE LOCAL GOVERNMENT FINANCE ACT 1988

RATING — Local Government Finance Act 1988 — Offices and premises – Deletion from rating list – Repairs or scheme of works – Appeals allowed.

Before:

MS LA OWUSU-AFRIYIE
MS N PATEL

Between:

RYDEN LLP **Appellant**

- and -

NICOLA JOHNSON
(VALUATION OFFICER) **Respondent**

Regarding:

1ST, 2ND, & 3RD FLOORS, 8-10 HATTON GARDEN, LONDON EC1N 8AH
OFFICES AND PREMISES AT 1ST FLOOR, 8-10 HATTON GARDEN, LONDON EC1N 8AH
OFFICES AND PREMISES AT 3RD FLOOR, 8-10 HATTON GARDEN, LONDON EC1N 8AH

(the “subject property”)

Mr S Walters for the Appellant
Mr N Green for the Respondent

DECISION AND STATEMENT OF REASONS

DECISION

1. The appeals are allowed.

2. The Tribunal Panel found that the single assessment of 1st, 2nd, & 3rd Floors, 8-10 Hatton Garden, London EC1N 8AH should be deleted from the 2023 rating list with effect from 5 June 2023.

STATEMENT OF REASONS

Introduction

3. These were 2023 rating list appeals. The subject properties had been entered in the 2023 rating list as “Offices and Premises”. The single assessment had an RV of £226,000 with effect from 1 April 2023. When split, 1st Floor had an RV of £86,000 with effect from 10 February 2025, and 3rd Floor had an RV of £60,000 with effect from 10 February 2025.

4. The challenge proposals were submitted by Foreview Ltd on behalf of Ryden LLP and were received by the Valuation Officer (VO) on 2 September 2025 and 13 October 2025, respectively. They had been made to delete the entries from the rating list.

5. Mr Walters appeared on behalf of the appellant as both advocate and expert witness. In view of the Upper Tribunal’s judgment in *Gardiner & Theobald LLP v David Jackson (VO)* [2018] UKUT 0253 (LC), Mr Walter declared that he was instructed under a conditional fee arrangement.

6. Mr Walters understood and accepted that his duty was to the Tribunal in giving his evidence and he would comply with this regardless of whether or not the evidence supported his client’s case.

7. The Tribunal Panel accepted this expert witness evidence on the above basis as the appeal was not 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 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).

8. The Panel therefore considered the expert evidence and attached such weight to it as it saw fit.

9. Mr Green appeared as both advocate and expert witness.

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

<u>Background</u>

11. The subject property was originally a single assessment in the 2023 rating list comprising the 1st, 2nd and 3rd floor of a multi-storey office building with ground floor retail in London. As a single assessment it measured 472.33m^2.

12. With effect from 10 February 2025 the single assessment was split into three individual assessments for each of the floors.

13. Work began on 13 May 2023 to split the assessment into three new hereditaments, with practical completion achieved on 2 February 2024. The appellant was seeking deletion of the single assessment from the rating list from 5 June 2023 which is when he contended the property became incapable of beneficial occupation.

14. The following cases were referred to:

Newbigin (Valuation Officer) (Respondent) v SJ & J Monk (a firm) (Appellant) [2017] UKSC 14
Jackson (VO) v Canary Wharf [2019] UKUT 136 (LC)
Carey Group Ltd v Ricketts (VO) [2024] UKUT 356 (LC)
Colour Weddings Ltd v Roberts (VO) [2019] UKUT 0385 (LC)
Aviva Investors v Bunyan (VO) [2022] VTE CHG100345300
BNPPDS(J) Limited and BCI Limited (as Trustees of the Blackrock Industrial Trust) v Hitchings (VO) [2025] UKUT 401 (LC)
Porter (Valuation Office) v Trustees of Gladman Sipps [2011] UKUT 204 (LC)
FiL Investment Management Ltd v Giles (VO) [2026] VTE CHG101182947 (NV23)

Relevant Law

<u>*The Local Government Finance Act 1988*</u>

15. Section 64(1) of the Act adopts the definition of hereditament from section 115(1) of the General Rate Act 1967:

"hereditament" means property which is, or may become liable to a rate, being a unit of such property which is, or would fall to be shown as a separate item in the Valuation List.

16. Schedule 6 of the Act provides that:

2(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.

17. 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 these appeals, the material day is 5 June 2023 for CHG101397813, and 10 February 2025 for CHG101412674 and CHG101412691.

Discussion

18. These appeals were heard separately by the panel. CHG101397813 was heard first. The panel then adjourned to consider its decision before returning for the hearing of CHG101412674 and CHG101412691, heard together. This decision will address each separately.

CHG101397813 – 1st, 2nd, & 3rd Floors, 8-10 Hatton Garden, London EC1N 8AH

19. The panel heard from Mr Walters that on the material day, 5 June 2023, the subject property was not capable of beneficial occupation. In any event, it was his contention that the works at the property were redevelopment and not just repair.

20. By contrast, Mr Green contended that the subject property was a hereditament on the material day and that the works carried out were repairs which did not justify deletion from the rating list.

21. Mr Walters stated that at the material day the following features had been removed from the property:

    All lighting including emergency lighting
    Floor coverings
    Small power
    Data/telecoms
    Partitioning
    Kitchenettes

22. Through questioning, Mr Green stated that if an office lacked all of those facilities, then he would consider it incapable of beneficial occupation. He clarified this by adding that the features would need to be lacking at the same time, which he argued was not evidenced at the subject property. Also, that the state would need to be throughout the whole of the property. As the subject property was only three floors of a five-story building which included a ground floor retail unit, and a fourth-floor office with a mezzanine floor, Mr Green considered that it was not incapable of beneficial occupation.

23. The panel reviewed the case law and previous Tribunal decisions before it. It found that in both Canary Wharf and Vice President Martin Young's decision in FiL Investment Management Ltd the subject properties were floors within a multi-level office building. Therefore, the panel did not accept Mr Green's contention that the subject property could not be incapable of beneficial occupation as it was not a whole building undergoing works.

24. The panel heard from Mr Green that Mr Walters had not provided a GANT chart or a F10 notification form. He stated without these any decision on deletion would be made on assumptions. Mr Walters stated that not every redevelopment required a GANT chart or a F10 notification form. The panel noted that there was nothing in the legislation that required either of these documents in order for a property to be removed from the rating list. The legislation set out what was a hereditament and it was for the panel to determine if there was a hereditament on the material day.

25. In relation to repairs or redevelopment, Mr Walter's stated that the landlord had taken the property back from the previous tenant in good repair. Photos prior to the redevelopment had been included in the evidence bundle to demonstrate the state of the subject property at that point.

26. The panel reviewed all of the photographic evidence and documentation before it. It accepted the list of features that were lacking from the subject property at the material day based on the emails between the parties, Mr Walters verbal submissions, the scope of works documents, and the invoices for the works. These documents highlighted to the panel the dates of the works and the scope of the works undertaken. Mr Green, or anyone from the Valuation Office, had not inspected the subject property and had only split the assessment from 10 February 2025 following a report from the billing authority.

27. The panel then considered the case law before it and the previous decisions of this Tribunal. The decision of Vice President Mr Young was very persuasive to the panel as it highlighted and summarised the relevant parts of all of the other case law that had been discussed and related to a situation which the panel found was similar to the appeal before it. In Mr Young's decision the property was a 6th Floor office building which was subject to works returning it to a "category A" condition. The features that were lacking were similar to those lacking in the subject property.

28. The panel found that the property had been stripped out on the material day. The panel did not consider these to be repair works following a tenancy, and no evidence had been submitted to support this contention. There was no evidence to show the subject property was in a state of disrepair, yet there was evidence to the contrary. In addition, the subject property was not merely being returned to its original state, it was undergoing works to enable the subject property to be split, creating three new hereditaments.

29. The panel found that based on the evidence, the subject property was incapable of beneficial occupation on the material day, and therefore not a hereditament. For this reason, the subject property was to be deleted from the rating list with effect from 5 June 2023.

CHG101412674 – 1st Floor, 8-10 Hatton Garden, London EC1N 8AH
<u>CHG101412691 – 3rd Floor, 8-10 Hatton Garden, London EC1N 8AH</u>

30. Following an adjournment, the panel returned to hear these two appeals.

31. Mr Walters was seeking the assessments were deleted from the rating list with effect from 10 February 2025.

32. The panel heard from Mr Green that if it had found the single assessment was to be deleted from the rating list with effect from 10 February 2025, then he accepted that these two subject properties would need to be deleted from the rating list. This was due to there being no mechanism for their entry into the rating list as no completion notices had been served and they were not in occupation.

33. Mr Green confirmed that the VO had entered these two assessments in the rating list following a report it had received from the billing authority,

34. Due to this statement and the fact that the panel had found the single assessment should be deleted with effect from 5 June 2023, there was no need for the panel to consider these appeals any further.

35. The panel found that on the comments of Mr Green, the subject properties should be deleted from the rating list with effect from 10 February 2025.

Conclusion

36. In view of the above findings and conclusions, The Tribunal Panel is satisfied that 1st, 2nd, & 3rd Floors, 8-10 Hatton Garden was not capable of beneficial occupation on the material day, 5 June 2023, and it is therefore not a hereditament.

37. The Tribunal Panel was also satisfied that, due to the above decision, the respondent did not have a mechanism to enter the two individual assessments into the rating list with effect from 10 February 2025.

38. Therefore, the appeals are allowed.

39. The Tribunal Panel orders pursuant to Regulation 38 of the Valuation Tribunal for England (Council Tax and Rating Appeals) (England) Regulations 2009 [SI 2009 No 2269] –

(1) the respondent shall delete the entry in the 2023 rating list for 1st, 2nd, & 3rd Floors, 8-10 Hatton Garden with effect from 5 June 2023.

(2) Subsequently, the respondent shall delete the entry in the 2023 rating list for 1st Floor, 8-10 Hatton Garden, and 3rd Floor Hatton Garden with effect from 10 February 2025.

(3) The respondent must comply with this order within two weeks.

Right of further appeal

40. 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.

41. 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 LA Owusu-Afriyie, Senior Member (Chair)
Ms N Patel, Senior Member
6 June 2026

Mrs S Hodgson
Clerk to the Tribunal
Date issued to the parties: 6 June 2026