THE VALUATION TRIBUNAL FOR ENGLAND

Transitional Relief Certificate appeal – value of property as at 1 April 2017 – certificate issued for transitional relief purposes as entry in 2017 rating list could not be amended – tonal evidence – appeal allowed in part.

RE: G M P T E Bus Shelter (EB0125), Opp 107 Piccadilly, Manchester M1 2DB

APPEAL NUMBER: VT00018144

BETWEEN:	The Ratepayer (represented by Montagu Evans)	Appellant
	and	
	Amanda Hitchings (Valuation Officer)	Respondent

PANEL: Miss A Griffiths (Presiding Senior Member)
Mr W Read (Senior Member)

CLERK: Ms S Hodgson

ON: 18 December 2023

REMOTE HEARING
APPEARANCES: Mr R Wackett for the appellant
Mr D Turner for the respondent
Mr C Royle as expert witness for the respondent

Summary of decision

1. Appeal allowed in part. The rateable value (RV) on 1 April 2017 for transitional relief purposes was reduced to £3,600.

Introduction

2. The valuation officer issued a certificate of rateable value for transitional purposes on 26 February 2023 stating that as at 1 April 2017 the RV for the appeal hereditament should be

£7,200. The appellant's representative lodged an appeal against the certificate on 28 June 2023 considering the RV should be £1,200.

3. The appeal hereditament was a double-sided advertising site located at the end of a bus shelter in central Manchester. Each side measured 1.2m by 1.8m.

4. This tribunal decision document is not and does not purport to be a verbatim record of proceedings.

Issue

5. The issue before the panel concerned what RV should be applied as at 1 April 2017 for transitional relief purposes.

Evidence and submissions

6. Mr Wackett 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 Wackett declared that he understood and accepted that his duty was to the Tribunal in giving his evidence and he would comply with this as well as the requirements of his professional body regardless of whether or not the evidence supported the client's case.

7. Mr Royle of the Valuation Office Agency appeared on behalf of the respondent as expert witness. Mr Royle declared that he understood and accepted that his duty was to the Tribunal in giving his evidence and he would comply with this as well as the requirements of his professional body regardless of whether or not the evidence supported the respondent's case.

8. Both parties had provided their submissions and evidence in accordance with the standard directions. The evidence included a statement of case for each party and details of comparable hereditaments.

9. The respondent argued that digital advertising rights were worth more than static sites. In this appeal, the hereditament rotated through six advertisements and therefore the respondent had valued the site at six times the value of a static site.

10. The appellant argued that the site should be valued the same as a static site. It was his contention that the addition of a digital mechanism did not increase the value of a hereditament under rating law, but that if it did, it would not be six times the value of a static site.

Decision and reasons

11. Schedule 6 to the Local Government Finance Act 1988 as amended by the Rating (Valuation) Act 1999, 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*

12. The panel heard from the parties that there was no rental evidence available for the 2017 list entry. The site was owned by Transport for Greater Manchester (TFGM), who had contracted J C Decaux to sell advertising.

13. Within the evidence bundles, the respondent had included a list of digital advertising sites within Manchester that were valued with a six times uplift. Mr Wackett had included a list and photographs of small format advertising sites on bus shelters in the same location as the subject hereditament, these were the same size as the subject and were valued at £1,200 RV.

14. The panel found that both parties' comparable evidence was not truly comparable. The respondent's evidence was not in the same location and Mr Wackett's evidence was not like for like.

15. Following questions from the panel, it was found that there had been a step between static advertising and digital advertising in the form of Ultravision. Ultravision was a form of rotating advertising without the digital mechanism and was valued at three times the value of static advertising sites. Mr Royle stated that the VOA's current approach to digital sites was based on the uplift given to Ultravision sites. The appellant also confirmed that the advertising displays operated 24 hour per day seven days per week. This therefore included times when there were no bus services and when few pedestrians/motorists saw the advertisements.

16. Under section 64(2) of the Local Government Finance Act 1988 a right is a hereditament if it is a right to use any land for the purpose of exhibiting advertisements and-

(a) The right is let out or reserved to any person other than the occupier of the land, or

(b) Where the land is not occupied for any other purpose, the right is let out or reserved to any person other than the owner of the land.

17. In section 64(11) ‘land’ was stated as including a wall or other part of a building and a sign, hoarding, frame, post or other structure erected or to be erected on land.

18. The panel was of the view that the subject hereditament as an advertising right, would command a higher rent than the static sites in the same location. In the absence of any rental evidence, either on the subject or the comparable hereditaments, the panel considered the best evidence of value to be the uplift on the Ultravision sites. It accepted Mr Wackett’s contention that with a rotation of six sides in one minute, one side had less value than an advertisement on a static site.

19. While Mr Wackett’s statement of case also referred to the transitional certificate for 31 March 2017, the panel noted that the original appeal was only submitted against the transitional certificate for 1 April 2017 and therefore it was only this transitional certificate that could be considered by the panel.

20. Based on the evidence before it, the panel found that the subject hereditament should be valued with a three times uplift and therefore the appeal is allowed in part.

21. The RV for the transitional relief certificate at 1 April 2017 is reduced to £3,600 based on a value of £1,800 per side.

Order

22. The Valuation Tribunal for England orders the Valuation Officer to issue a revised transitional certificate in accordance with this decision.

Date: 13 February 2024 (Replaces the decision issued on 1 February 2024)

Appeal number: VT00018144

Any party who is aggrieved by the Tribunal’s decision, and who appeared or was represented at the hearing, has the right of appeal to the Upper Tribunal (Lands Chamber). Any such appeal should be made within four weeks of the date of this decision notice.