VALUATION TRIBUNAL FOR ENGLAND

Non-Domestic Completion Notice appeals: Local Government Finance Act 1992; Section 17 – completion of new dwellings; Schedule 4a to the Local Government Finance Act 1998; substantially complete; completion of remaining customary works; connection of utilities; appeals dismissed.

APPEAL NUMBER: VT00026644, VT00026722, VT00026725, VT00026727, VT00026728, VT00026730

RE: Unit 1, 12-16 Town Road, Stoke-on-Trent, ST1 2JQ
Unit 2, 12-16 Town Road, Stoke-on-Trent, ST1 2JQ
Unit 3, 12-16 Town Road, Stoke-on-Trent, ST1 2JQ
Unit 4, 12-16 Town Road, Stoke-on-Trent, ST1 2JQ
Unit 5, 12-16 Town Road, Stoke-on-Trent, ST1 2JQ
Unit 6, 12-16 Town Road, Stoke-on-Trent, ST1 2JQ
(the "subject properties")

BETWEEN: Mahwan Properties Ltd — Appellant

and

Stoke-on-Trent City Council (Billing Authority) — Respondent

SITTING: *remotely using Microsoft Teams*

ON: 25 March 2025

BEFORE: Mr A Ramsay, Presiding Senior Member
Mr SC Kamalan, Senior Member

CLERK: Miss N Shepherd

APPEARANCES: Mr M Taj, on behalf of the appellant
Ms C Fern, on behalf of the billing authority

DECISION AND STATEMENT OF REASONS

Decision

1. Appeals dismissed; the panel found the completion date set by the billing authority to be reasonable.

Introduction

2. These appeals were against the completion notices which the billing authority served on the appellant company on 10 October 2024. The BA proposed completion dates of 11 October 2024, as it considered that the remaining works could be completed within one day.

3. Mr Taj, on behalf of the appellant company, appealed to this Tribunal on 1 November 2024, on the grounds that the subject properties were not, and could not be, completed by the completion dates.

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

Background

5. The subject properties were removed from the rating list from 14 December 2022 as the appellant company had reported they were in the process of turning the premises into a block of flats. They were then signed off by Building Control as six commercial units on 28 August 2024. The billing authority had inspected the units externally on 10 October 2024 and had also issued completion notices for all units on this date, with completion dates of 11 October 2024.

Relevant Law

The Local Government Finance Act 1992

6. Section 17 of the Act is as follows:

   (1) Subject to the provisions of this section, Schedule 4A to the 1988 Act (which makes provision with respect to the determination of a day as the completion day in relation to a new building) shall, with the exception of paragraph 6, apply for the purposes of this Part as it applies for the purposes of Part III of that Act.

   (2) Any reference in this section to the Schedule is a reference to Schedule 4A to the 1988 Act as it applies for the purposes of this part.

The Local Government Finance Act 1988

7. Schedule 4A, so far as is relevant for the purposes of this appeal, is as follows:

   1 (1) If it comes to the notice of a billing authority that the work remaining to be done on a new building in its area is such that the building can reasonably be expected to be completed within 3 months, the authority shall serve a notice under this paragraph on the owner of the building as soon as is reasonably practicable unless the valuation officer otherwise directs in writing.

   1 (2) If it comes to the notice of a billing authority that a new building in its area has been completed, the authority may serve a notice under this paragraph on the owner of the building unless the valuation officer otherwise directs in writing.

   2 (1) A completion notice shall specify the building to which it relates and state the day which the authority proposes as the completion day in relation to the building.

2 (2) Where at the time a completion notice is served it appears to the authority that the building to which the notice relates is not completed, the authority shall propose as the completion day such day, not later than 3 months from and including the day on which the notice is served, as the authority considers is a day by which the building can reasonably be expected to be completed.
2 (3) Where at the time a completion notice is served it appears to the authority that the building to which the notice relates is completed, the authority shall propose as the completion day the day on which the notice is served.

4 (1) A person on whom a completion notice is served may appeal to a valuation tribunal against the notice on the ground that the building to which the notice relates has not been or, as the case may be, cannot reasonably be expected to be completed by the day stated in the notice.

4 (2) Where a person appeals against a completion notice and the appeal is not withdrawn or dismissed, the completion day shall be such day as the tribunal shall determine.

…

9 (1) This paragraph applies in the case of a building to which work remains to be done which is customarily done to a building of the type in question after the building has been substantially completed.

9 (2) It shall be assumed for the purposes of this Schedule that the building has been or can reasonably be expected to be completed at the end of such period beginning with the date of its completion apart from the work as is reasonably required for carrying out the work.

8. Therefore, a billing authority was under a statutory duty to serve a council tax completion notice in respect of a complete building or one where the work remaining to be done could reasonably be expected to be completed within three months. The authority could propose a date of completion it considered was reasonable providing it fell within three months of the date the completion notice was served.

Discussion

9. In this case the billing authority submitted that it had been notified by the Planning Department that the subject properties had been signed off by building control on 28 August 2024. Following this an officer visited the subject properties on 10 October 2024 and performed an inspection. It was also found on this date that the subject properties were being advertised to let with it being stipulated within the letting advert that they were available for immediate occupancy and had been completed the previous month, with photographs showing them in a state of completion. Based upon this advert and the inspection carried out, the billing authority considered the completion date of 11 October 2024 within the completion notice served on 10 October 2024 to be reasonable.

10. Mr Taj submitted that the subject properties had not neared a state of completion and could not reasonably have been expected to have been complete by 11 October 2024 on the date the completion notices had been served. He contended that the following works remained outstanding as of 10 October 2024:

- Lack of electric meter, meaning utilities were not connected
- Unfinished communal areas, such as kitchen, toilets and bin area
- Delay in planning restrictions being lifted
- Financial constraints delaying the completion of the subject properties

11. Mr Taj instead proposed a completion date of 4 March 2025, submitting this was the date the subject properties were actually ready for occupation. Mr Taj had provided correspondence from National Grid and E-on dating back to February 2024 regarding the installation of electric meters at the subject properties. The panel noted following the initial correspondence in February there had been no further correspondence regarding the installation until August 2024, with it then being confirmed in November 2024 that they would be fitted within three months. The appellant submitted that whilst some of the delay was waiting for National Grid to respond to him, part of it was due to the lack of funding to have the electric meters installed.

12. The panel could understand the financial implications of developing properties and the impact that rising costs could have. However, it was aware that there was no scope within the legislation as to the financial situation of the appellant. The case before the panel was whether or not appeal property could reasonably have expected to be completed by this date specified within the completion notice.

13. The panel also had regard to *London Merchant Securities plc and Trendworthy Two Ltd* v. *Islington London Borough Council* [1987] H of L (RA 1987 99). In this case the judge found that the delay in obtaining necessary approvals must be excluded when determining a date for a completion notice and that calculating the time period needed to complete a property is done so on the assumption that the contractors are on site. Having regard to this case, the panel considered that whilst it understood the appellant's contention regarding the delay in getting the electric meters fitted and the delay in planning restriction being removed, these were not something it could attach any weight to in determining whether the subject property could have reasonably been completed by 11 October 2024.

14. The panel also had regard to the Rightmove advert showing the subject property to be available immediately to let at the date the completion notice was served. The appellant submitted that this was done so to attract potential tenants early with a view to securing agreements when the units were actually ready, however they weren't ready for occupancy at this time. The panel considered that the photographs attached to the Rightmove advert clearly showed a unit which was substantially complete, with only minor cosmetic works outstanding. The panel also noted that these were the only photographs provided by either party of the subject properties.

15. The panel had regard to the fact that at the date the completion notice was served the appellant confirmed that the subject properties had been plastered with windows and doors installed, and were wind and watertight. Therefore the panel considered that it was substantially complete, with only cosmetic work outstanding, as demonstrated by the photographs attached to the Rightmove advert. However, utilities were not connected, which the panel accepted demonstrated that the subject property was not ready for occupation at that date. Bearing in mind that the property does not need to be finished to the specification of the intended occupier but should have all the basic facilities to make it ready for occupation, the panel considered how long those final stages would take. The panel considered it reasonable, assuming continuous ongoing works, for the remaining installations and connection to be completed by the date of 11 October 2024 as specified in the completion notice served on 10 October 2024.

Disposal

16. In view of the above findings and conclusions the panel dismissed the appeals.

Date issued to parties: 24 April 2025

Right of further appeal

Any party who is aggrieved by the Tribunal's decision has the right of appeal to the High Court on a question of law. Any such appeal should be made within four weeks of the date of this decision notice.
