IN THE VALUATION TRIBUNAL FOR ENGLAND
IN THE MATTER OF A NON-DOMESTIC TRANSITIONAL CERTIFICATION APPEAL

Case No: VT00030419

Sitting remotely using Microsoft Teams

Date: 8 September 2025

SCHEDULE 11 TO THE LOCAL GOVERNMENT FINANCE ACT 1988

Non-domestic rates; certified value for transitional purposes; factory and premises.; comparable assessments; evidence of settlements; appeal allowed

Before:
MR AMRAN HUSSAIN
MS C CAIQUO

Between:

J BARBOUR & SONS **Appellant**

- and -

AMANDA HITCHINGS (VALUATION OFFICER) **Respondent**

Regarding:
11 12 & 21, BEDESWAY, BEDE TRADING ESTATE, TYNE AND WEAR NE32 3HG
(the "subject property")

Mr W Secrett from Knight Frank (as advocate and expert witness on behalf of the appellant)
Mr C Cowper (as advocate on behalf of the respondent)

Hearing date: 11 August 2025

DECISION AND STATEMENT OF REASONS

Decision

1. The appeal is allowed.

2. The Tribunal finds the rateable value of the appeal property for transitional purposes is certified as £250,000 rateable value (RV) as at 31 March 2017 for the 2010 rating list.

Introduction

3. The appeal process began with an appeal made by the appellant's representative on 27 May 2025 in respect of the Certificate of Value for Transitional Purposes for the 31 March 2017 with an RV of £350,000 in connection with the subject property. The appellant proposed an RV of £250,000 to take in the elements of the RV agreed for the 2017 compiled list entry. The respondent confirmed that the appeal was not well-founded, and the certified RV would remain at £350,000. The appellant's representative appealed against that decision to this Tribunal on 12 June 2025.

4. The appeal has been made under regulation 21 of the Non-Domestic Rating (Chargeable Amounts) (England) Regulations 2016 (SI 2016 No.1265) because the appellants are dissatisfied with the value so certified.

5. Mr Secrett on behalf of the appellant appeared as both advocate and expert witness and Mr Cowper appeared as advocate only on behalf of the respondent.

6. In view of the Upper Tribunal's judgment in *Gardiner & Theobald LLP v David Jackson* (VO) [2018] UKUT 0253 (LC), Mr Secrett informed the panel that he was instructed on an hourly basis. He declared that he understood and accepted that this duty was to the Tribunal in giving his evidence and that he was aware of and has complied with the requirements of the rules, protocols and directions of the Valuation Tribunal as well as the requirements of his professional body.

7. The panel accepted this expert witness evidence on the above basis as the appeal is not complex and to do otherwise would be contrary to regulation 3 (Discharge of VTE functions – general) of the Valuation Tribunal for England (Council Tax and Rating Appeals) (Procedure) Regulations 2009 and is 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. 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 matters in issue before it.

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

Background

10. The subject property was a mixed age industrial property with part of the subject property being constructed in the 1940's (Unit 11 and 12) and the remaining part being an extension in the 1960's (Unit 21). It comprises of three main factory units being Unit 11, 12 and 21 with three access roads but the only access to the loading bay is through the site itself off Bedesway. The site has approximately a 50% coverage with buildings with the 1960's

extension consisting of 30-40% of that. There is also a car park and a rear yard at the back of the property. The units are on two different levels meaning products can't be moved by vehicle between them and there is only a connecting corridor to allow pedestrian access between the units. The subject property area was 24,639m^2.

11. The challenge against the 2017 rating list compiled entry had been concluded. This had resulted in a unit price reduction on both survey units and an enhanced end allowance for layout and fragmentation of 10%. Only the 10% allowance was applied to the certified value on 31 March 2017 and not the unit price reduction. The appellant disputes the certified figure for the 31 March 2017 and in his submission he argued that the reduction in the unit price should also be applied to the 31 March 2017 certified RV and proposes it should be reduced to £250,000. The VO however submits that the certified value is correct and the appeal should be dismissed.

Issue

12. The issue to be determined was the correct certified RV as at 31 March 2017 for the subject property.

Relevant Law

13. When arriving at its decision, the panel is governed by rating legislation laid down by Parliament. The subject hereditament 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). The rental value arrived at had to represent the figure at which the hypothetical landlord and tenant would agree to, as a result of bargaining for that property in the light of the available evidence at that time. The statutory definition was provided in Schedule 6 to the Local Government Finance Act 1988 (as amended):

> "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;
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> (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."

14. The appeal property must be valued according to its hypothetical rental value as at 1 April 2008.

Discussion

15. The panel took into account the submission by Mr Secrett that there had been no increase in the rate per m^2 from the 2010 to 2017 rating lists in connection with older large industrial buildings. That rate was agreed at £10/m^2 for the subject property in the 2017 rating list which took into account its size and age. There was no increase in the unadjusted rate per m^2 for Unit 11 and 12 but with an eaves height allowance on Unit 12. There was also an end allowance of 10% for layout and access. Mr Secrett submitted that this same agreement should apply to the certified value for the subject property as at 31 March 2017.

16. The panel first turned to the comparable properties put into evidence by the appellant. The comparable properties referred to by Mr Secrett were:

    (1) 19 Bedesway which had a 2017 unadjusted rate of £10/m^2 in both the 2010 and 2017 rating lists and an end allowance of 10% for a divided or split units as the units are interconnecting. There are no separate buildings unlike the subject property. The property has a 1980's extension of 2,852.5m^2 which is valued with a 10% uplift at £11.28/m^2 and the original 1960's extension was valued at £10.25/m^2. It is 17,989m^2 and so slightly smaller than the subject property.

    (2) Filtrona, Shaftesbury Avenue is valued at £11/m^2 for both the 2010 and 2017 rating list. The panel noted that this was higher than that of the subject property but the comparable property was significantly smaller than the subject property at 10,060m^2 as opposed to 24,639m^2. It also had a 5% allowance in rate per m^2 in both lists. In the case of the subject property the allowance was agreed at 10% due to the split level site limiting interconnection between Unit 21 and Units 11 and 12 as there is no vehicular access between them.

17. The panel found that the rate applied to the comparable properties were £10/m^2 and £11/m^2 respectively which supported the rate of £10/m^2 on the subject property. The panel also noted that there was a link in the unadjusted rates on both the comparable properties between the 2010 and 2017 rating lists. This the panel found supported the certified rate for the subject property on 31 March 2017 with an unadjusted rate of £10/m^2 being the same as the compiled list RV at 1 April 2017 of RV of £250,000. The panel found that the VO did not dispute the actual RV proposed by the appellant only that the certified value as at the 31 March 2017 should not be calculated on the same basis as the 2017 compiled list entry. The panel put weight on this evidence.

18. The panel found that the comparable properties presented by the appellant supported an unadjusted rate of £10/m^2 and therefore cast doubt on the reasonableness of the current unadjusted rates. In connection with 19 Bedesway the panel noted that there is no difference in the unadjusted rate between the newer portions which are all valued at £10.25/m^2 in the 2010 rating list. Mr Cowper did concede that there was no difference for the 1990's element. The panel found that the fact that there was no differential between the older and newer elements of this comparable property in the 2010 rating list and that it had an unadjusted rate of £10.25/m^2 in the 2010 list supported £10/m^2 on the subject property.

19. The panel then turned to the VO's submissions. Mr Cowper submitted that the two rating lists were always considered on their own merits. The fact of an agreed reduction in one list did not mean that it would automatically be applied to the earlier list in the form of a certified value on 31 March 2017. The panel noted that there had been four appeals on behalf of the appellant in connection with the 2010 rating list but they had all been withdrawn. Therefore Mr Cowper submitted that the RV in the 2010 rating list had been settled at a final RV of £370,000 which once the 10% end allowance had been applied gave a certified 31 March 2017 RV of £350,000. There were, the panel found, a number of reasons why a party decided to withdraw an appeal which in this case were unknown and they may have had nothing to do with the appellant's agent at the time agreeing to the RV.

20. The panel then noted the submissions made by Mr Cowper in connection with the second comparable property presented into evidence by the appellant that of Filtrona. He submitted that as the property was smaller than the subject property little weight should be placed on this comparable property. The panel noted the difference in size but found that as conceded by Mr Cowper Filtrona was valued the same across the 2005, 2010 and 2017 rating lists. It had an unadjusted rate of £10.69/m^2 in the 2005 rating list, £10.75/m^2 in the 2010 rating list and £10.75/m^2 in the 2017 rating list. The panel put weight on the fact that the unadjusted rate did not vary between the three rating lists which supported the unadjusted rate on the subject property being the same between the 2010 and 2017 rating list. The agreed unadjusted rate for the 2017 rating list was £10/m^2. The panel found that to have the certified RV for the 31 March 2017 calculated using a different unadjusted rate to that applied to the 2017 rating list was not supported by the evidence of the comparable properties.

21. The panel then considered the 2010 settlement evidence provided by the VO for similar properties. The 1940's part of the subject property had an unadjusted rate in the 2010 rating list of £12.50/m^2. The panel noted that the comparable properties were between 21,939.30m^2 and 52,968.60m^2 and so most were significantly larger than the subject property. They had an adopted rate of between £9.27/m^2 and £12.35/m^2. The panel found that although quantum had to be taken into account in respect of the comparable properties adopted rate it still found that these settlements supported a lower unadjusted rate for the subject property. The settlement which was closest in size was Rolls Royce which was 21,939.30m^2. It had an adopted rate of £11.00/m^2 which was lower than that of the subject property. The panel also found that these comparable properties were up to 8 miles away and so were not in the direct vicinity of the subject property. The panel therefore put little weight on these as comparable properties to the subject property.

22. In connection with the 1960's element of the subject property it had an unadjusted price in the 2010 list of £16.25/m^2 which the VO submitted was reasonable. The VO referred the panel to settlement evidence of properties which were between 20,379.16m^2 and 70,327.70m^2 and had an adopted rate of between £12.50/m^2 and £19.00/m^2. The panel found that the subject property was on an over developed site with an eaves height in the 1960's section which was half that of the comparable properties. The panel was aware that the eaves height was an important factor when using the property for manufacturing. The subject property required racking and the lower eaves height limited its use. The panel also noted that these were settlements which meant that the reasons around the settlements and the factors around the settlement were individual to each property. The panel put little weight on this evidence.

23. The panel found that the most persuasive evidence was that submitted on behalf of the appellant. This evidence supported that the larger older industrial units had the same rate in the 2010 and 2017 rating list. This was supported by the two comparable properties 19 Bedesway and Filtrona which had rates below that of the subject property. The panel also

placed little weight on the fact that there had been several appeals withdrawn in connection with the 2010 compiled list entry for the subject property as the circumstances of those withdrawals were unclear and so it was inappropriate for the panel to speculate on why the appeals were withdrawn. The panel therefore found that the certified value as at 31 March 2017 was unreasonable and reduced it to £250,000.

Determination

24. In view of the foregoing, the panel was satisfied that the transitional certificate for 31 March 2017 did not reflect the correct RV and the appeal is therefore allowed.

Order

25. Under the provisions of regulation 38(4) of The Valuation Tribunal for England (Council Tax and Rating Appeals) (Procedure) Regulations 2009, the Valuation Tribunal for England orders the Valuation Officer to reduce the certified rateable value as at 31 March 2017 to £250,000.

26. Under regulation 38(9), the Valuation Officer must comply with this order within two weeks of the date of its making.

Right of further appeal

27. 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) within **four weeks** of the date this decision and statement of reasons is issued.

28. 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 Amran Hussain, Senior Member (Presiding)

Ms C Caiquo, Senior Member

8 September 2025

Miss F Willson
Clerk to the Tribunal
Date issued to the parties: 8 September 2025