

TRIBIWNLYS PRISIO CYMRU - VALUATION TRIBUNAL FOR WALES

Appellant: Mr David Buckley

Appeal Property: Plas Hafod Country House Hotel, Hafod Road,
Gwernymynydd, Mold CH7 5JS

Appeal number: 683533802216/285NV17

The Matter Appealed Against: 2017 Rating List

Date of Hearing: Friday 6th November 2020

Appearances: Mr David Buckley (appellant) and Mrs Tina-Suzanne Davies
(for the respondent Valuation Officer)

Date of Decision: 26th November 2020

Decision of Tribunal: Appeal dismissed

Members of the Tribunal: Mrs JR Evans (Chairperson), Mrs LM Thomas &
Mr K Privett

Tribunal Clerk: Mr G Harris

Introduction:

1. The appeal under consideration followed a proposal made by Mr David Buckley in respect of Plas Hafod Country House Hotel, Hafod Road, Gwernymynydd, Mold CH7 5JS, which the respondent Valuation Officer accepted as being validly made on 10th October 2019. The proposal sought a reduction in the Rateable Value (RV) of the appeal property from £79,000 to £40,000 on the following grounds –

We believe our rates £79,000 at Plas Hafod, Gwernymynydd are unsustainable in the present climate of business.

As a business we are not provided with waste clearance, mains gas, mains drains or any road maintenance to Hafod Road. We pay a large fee for water discharge on our own land.

We have owned the hotel for 31 years, we have built up a strong customer base employing up to 40 local staff using all local suppliers, however the overheads have increased tremendously, with minimum wage increasing twice yearly, VAT increase to 20%, employers contributions to staff pensions, heating and lighting costs, the annual turnover for last year is down by £64,000.

Within a 10 mile radius many more pubs, bars and restaurants have opened up within the last 5 to 10 years making the industry very competitive for customers and price conscious. We feel we cannot increase our prices for daily meals or weddings and functions as there is a limit to what the customer base are willing to pay, regardless of quality

and service. The hospitality industry is becoming increasingly price let, leaving very small margins, with many properties going out of business. Local property rateable values Soughton Hall CH7 6AB £101,000 Rates £49,000. Highfield Hall CH7 6AZ £32,000 Rates £12,750. We would like urgent help and advice to challenge the valuation. You originally re-rated the property at £115,000 when challenged you stated you had the figure wrong!!! Then reduced to £79,000. How could you originally increase by 79% without anybody noticing?

2. Both the appellant and respondent Valuation Officer (VO) attended the hearing via video link.
3. This is a summary of the case and is not intended to be an exhaustive record of the proceedings. However, the parties can be assured that all the evidence was fully considered by the tribunal when it arrived at its decision. Consequently, the absence of reference to any statement, or evidence, should not be construed as being overlooked.

Summary of the Case

4. Mr Buckley explained that the current Rateable Value was not sustainable for his small business. The RV had been reduced from £115,000 to £79,000 at the stroke of a pen. Mr Buckley questioned the original mark up and how long his business had had been in the wrong band. Without inspecting the property Mr Buckley questioned how the Valuation Officer could value it.
5. Mr Buckley explained that to get to the hotel visitors had to drive through a housing estate followed by a 1.5-mile-long unlit single-track road. The hotel had no mains gas or sewerage and he had to close should it snow. In addition, issues with the local quarry were getting worse and worse.
6. Mr Buckley contended that competition from cheap hotels were having a knock-on effect on his business, he could not cut any more costs and his taking had reduced from £1,250,000 last year to £632,000 to September 2020. It was not feasible to continue trading and there would be no alternative but for the hotel to cease to exist.
7. Mrs Davies explained that as the Fair Maintainable Trade (FMT) and category of property had been agreed with the appellant, the issue under consideration was if the RV £79,000, amended by a notice dated 22nd November 2017, was sound.
8. Mrs Davies argued that it was for the appellant to prove his case, on the assumption that the appeal had been made on the basis that the appellant had evidence to suggest the assessment was incorrect. Although not enshrined in Legislation, authority could be found in the case *Vines Ltd v de Mauny (Valuation Officer)* (2010) where the member NJ Rose commented –

“It is, however, important to bear in mind that this is an appeal by the ratepayer, not the VO. The onus, therefore, is on the ratepayer to show that the base rate of £200 per m is too high, not on the VO to prove the opposite.”

9. Mrs Davies described Plas Hafod as a Georgian Grade II listed building of rough cast stone construction with a shallow pitched hipped slate roof with over sailing eaves. She confirmed that the property had not been inspected due to Covid-19 restrictions, for which she apologised. Mrs Davies provided the tribunal with a photograph of the appeal property together with plans of its location and layout.
10. Mrs Davies explained that the FMT had been agreed with the appellant and having reviewed the scheme considered it to be a fair reflection at the Antecedent Valuation Date (AVD) 1st April 2015 taking into account the material facts on 1st April 2017. Mrs Davies explained that the valuation based on the FMT had been agreed between Mr Buckley and the VO in November 2017.

Address	Plas Hafod Country House Hotel, Gwernymynydd, Mold CH7 5JS		
Property Description	Hotel & Premises	Special Category and code	Hotels (3 star & under) 137
Receipts	FMT (£)	Rental %	Value (£)
Total	1,175,000	6.75	79,313
		Rateable Value	79,000

11. Mrs Davies explained that although the appellant had mentioned that things had changed since the material day, she could not consider these under the current appeal. However, should Mr Buckley provide details she could consider a material change of circumstances in a new proposal.
12. To support the valuation Mrs Davies referred to several comparable properties, including those mentioned by Mr Buckley in his proposal. Highfield Hall (RV £12,750) and Soughton Hall (RV £49,000) both traded substantially less than the appeal property. Holiday Inn Chester West (RV £250,000) was a busy chain hotel located on a busy road but did not provide for weddings. Beaufort Park Hotel traded at an amount substantially higher than the appeal property and had better access hence the RV of £154,000. Plas Ifan Hotel (RV £7,500) was in the same locality as Mr Butler’s comparables but was considerably smaller with limited accommodation and had ceased trading. Northop Hall Hotel (RV £77,750) was larger in terms of accommodation but lower in respect of other receipts.
13. Mrs Davies explained that it had been difficult to find like for like properties situated in rural locations on a country road. All the other properties had

better access, but all had been valued in terms of FMT. The appeal property's original valuation had adopted a rental bid of 9% but this had been amended to 6.75% to better reflect the property being a listed building, its location, and other disabilities.

14. Mrs Davies stated that Mr Butler had not provided any evidence to support his contentions that the valuation was incorrect and respectfully requested that the tribunal dismiss the appeal.
15. At the conclusion of the hearing, the tribunal decided to reserve its decision.

The Reasons for Decision

16. Having considered all the evidence placed before it the tribunal decided as follows: -
17. In his proposal the appellant had contended that the Rating List was inaccurate and that his RV should be reduced. In line with the case *Vines Ltd v de Mauny* 2010 the Tribunal accepted that the burden of proof rested with the appellant on the basis that 'he who asserts must prove.' Therefore, in the case under consideration the persuasive burden of proof rested with the appellant ratepayer and not the respondent Valuation Officer by virtue of a statutory duty to prepare and maintain the Rating List.
18. The Tribunal believed the appellant had not been able to sustain his argument that the Valuation Officer's assessment was incorrect and had not, with reference to evidence, undermined the Valuation Officer's valuation of the property.
19. The Tribunal empathised with Mr Butler but observed that the FMT had been agreed between the parties based on the economic situation occurring at the AVD, as such considered the RV £79,000 to be correct based on the agreed facts taking into account the rental bid which fairly reflected the hereditaments location and disabilities. The Tribunal noted that matters occurring after the AVD could not be considered under the current appeal, however accepted that the appellant could make another proposal based on a material change of circumstances occurring at a later date provided he had evidence to support his proposal. The appeal was dismissed.

Certified a true copy on 26th November 2020