

Valuation Tribunal Service

Valuation in Practice

News in brief

Want to write to us?

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Changes to The Valuation Office Agency's (VOA) Rating Manual

On 1 March 2024, the VOA made changes to part 7 [Appendix 4: Contaminated Land](#) and part 9 [The Empty Property Rate and demand in the rating hypothesis](#) of The Rating Manual section 2: valuation principles.

On 25 March 2024, further changes were made to part 7 [Material Changes of Circumstances](#).

All updates to this section can be found [here](#).

National non-domestic rates collected by councils in England: forecast for 2024 to 2025

The Department for Levelling Up, Housing and Communities (DLUHC) published a [release](#) on 21 February 2024 providing data on the forecast from all 296 authorities, of non-domestic rating income due to local authorities in 2024-25. This data includes information relating to the amount of business rates reliefs forecast to be given to businesses.

Official statistics - Non-domestic rating: challenges and changes, 2017 and 2023 rating lists

See [here](#) for the VOA's statistics on checks, challenges and assessment reviews against the 2017 and 2023 local rating lists as at 31 December 2023.

Future publication dates for VOA statistics on both non-domestic rating and council tax can be found [here](#).

You can sign up to receive an alert when a new issue of [Valuation in Practice](#) is published. [Click here](#) to join over 2,200 other subscribers

Business rates: information letters

On 14 February 2024, DLUHC published a business rates information letter relating to [confirmation of business rates multipliers and relief information](#).

See [here](#) for the latest business rates information letters from DLUHC.

Government response to the DLUHC Select Committee report on council tax collection

On 1 December 2023, DLUHC published a [report](#) following its inquiry into the collection and enforcement of council tax in England. The government has set out its responses to the Select Committee's recommendations which can be found [here](#).

Guidance: How domestic properties are assessed for council tax bands

On 5 February 2024, the VOA updated their guidance on how domestic properties are valued for council tax bands to now include changes to English Houses in Multiple Occupation (HMOs). The full publication can be found [here](#).

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Council tax: information letters

On 11 March 2024, DLUHC published a council tax information letter relating to the government's response to the [proposals to exempt categories of dwellings from the council tax premiums in England](#).

On 19 April 2024, a council tax information letter was published providing updates on [administration and collection of council tax](#).

These set out some important changes to the VTE Consolidated Practice Statement for appeals received after 1 April 2024 in how to file and serve evidence, highlighting the sanctions in failure to comply.

Annex A: Billing Authority disclosure requirements have changed

- **For appeals received by the Tribunal after 1 April 2024**, there is a change to the way you need to file and serve your case and evidence. This change affects all appeal types where the billing authority is the respondent party to the appeal.
- **Upon acknowledgement of an appeal**, you are directed to file with the Tribunal and serve upon the Appellant your full case. **This must be done within 4 weeks of the notice of acknowledgement**. You must file with the Tribunal by email and serve upon the Appellant by email or by post.
- If you don't comply with the direction within the four weeks, your evidence and submissions may be excluded, and you may be prevented from submitting further evidence or submissions.
- The Appellant will also be required to file with the Tribunal and serve upon you any further information they wish to rely upon. You do not need to include this in your own case.
- **After the 4 weeks have elapsed**, the Tribunal will review the parties' full cases to decide whether the appeal should be listed to a hearing or disposed of without one.
- **If the Tribunal lists the appeal to a hearing**, you will receive a further direction with the notice of hearing. This allows you to file with the Tribunal and serve upon the Appellant any **rebuttal statement** you wish to make in response to the Appellant's additional evidence. **You must do this no later than four weeks before the hearing**.
- The Appellant will also be permitted to file with the Tribunal and serve upon you a rebuttal statement no later than two weeks before the hearing. You do not need to include this in your own case.
- Click on Consolidated Practice Statement (valuationtribunal.gov.uk for the Valuation Tribunal for England's new disclosure requirements and directions at PS10, effective 1 April 2024. Access the Explanatory Notes on valuationtribunal.gov.uk (PDF, 116KB).
- **For appeals received by the Tribunal before 1 April 2024**, you will receive the disclosure directions with the notice of hearing only.

See [here](#) for the latest council tax information letters from DLUHC.

Referendums relating to council tax increases (principles) (England) Report 2024 to 2025

This [report](#) sets out council tax excessiveness principles ('referendum principles') for 2024 to 2025 which have been determined by the Secretary of State and were approved by the House of Commons on 7 February 2024.

Guidance: VOA launches new standards of behaviours for rating agents

On 30 January 2024, the VOA published a new set of [agent standards](#) to encourage good practice when representing customers for business rates and council tax.

The standards set out clear expectations for agents regarding:

- their behaviour
- their professional practice
- the service they provide to their customers.

Our Hearing Programme - April to June 2024

The profile and volume of our remote hearing programme is:

Tribunal Type	April	May	June	TOTAL
Council tax	49	51	43	143
2017 Rating List	22 (inc 1 Complex Case)	17	16	55
Completion Notices	3	2	1	6
Transitional Relief Certificate/ 2017 Rating List	0	1	0	1
TOTAL	74	71	60	205

Appeals stayed at the Valuation Tribunal for England (VTE) – April 2024

There are currently no stayed appeals registered with the Valuation Tribunal for England.

Decision of the High Court

Doreen Clark and Dawn Bunyan (*Listing Officer*) [2024] EWHC 486 (admin)

An appeal against a Valuation Tribunal for England (VTE) decision to dismiss the appellant's appeal and upholding the Listing Officer's (LO) decision to increase the council tax entry from band E to band F with effect from 28 July 2021.

The appeal dwelling is a detached chalet bungalow, known as Popinjay, forming part of a development of four detached bungalows built in 2006. The LO's records indicated that it had a reduced covered area of 137m².

In 2021, the appellant's representative, on behalf of a different taxpayer, made a proposal challenging the accuracy of the council tax band for an adjacent bungalow known as the Bumbles, stating that the Bumbles was the same size as Popinjay. Following investigation, it was found that the LO's survey measurements of Popinjay were incorrect and that the correct reduced covered area was 166m². This led to the LO increasing the band entry for Popinjay with effect from the date when the valuation list was altered. The size of the reduced covered area was later revised to 165.29m², following an inspection made on behalf of the LO, prior to the VTE hearing.

In the High Court only three grounds of appeal were referred to in the appellant's notice but the Judge, Mr Justice Julian Knowles, stated in his judgment that a number of additional grounds had evolved over time and were introduced in the appellant's skeleton legal arguments and included arguments on the following:

1. The VTE was incorrect to value the appeal dwelling on the basis of its reduced covered area. This was rejected as to do otherwise would be like comparing an apple to a basket of oranges. It was custom and practice to value chalet bungalows, having regard to their reduced covered area.
2. The LO was not empowered to alter the band entry, mid ownership, to correct an error under Regulation 3 (1) (b) (i) of the Council Tax (Alteration of Lists and Appeals) Regulations 2009. The appellants considered that the LO was required to wait until a relevant transaction occurred to revisit the valuation of the dwelling. Justice Knowles rejected this argument and was satisfied that the judgments in *Zeynab Adam and Listing Officer* [2014] EWHC 1110 (admin) and *Listing Officer for Cornwall and Dannhauser* [2018] EWHC 3162 (admin) highlighted that the LO was empowered to correct an earlier valuation undertaken under regulation 6 of the Council Tax (Situational and Valuation of Dwellings) Regulations 1992.
3. The appellant also argued that the VTE misdirected itself by informing her at the outset that it did not require submissions to be made in respect of the expansion of the local school, planning conditions and restrictive covenants. These issues had been raised in earlier appeals and these arguments had been rejected by the VTE President. As the appellant's representative had raised no objection to the panel's approach at the hearing itself, Justice Knowles was satisfied that no error of law had occurred. As no submissions on these points had been made before the VTE panel, it was too late to resurrect them at the High Court. In any event, Justice Knowles pointed out that the panel had not excluded these issues from consideration, it merely held that the valuation impact of these other matters had already been considered and determined in earlier VTE decisions.
4. The appellant also challenged the VTE panel's valuation approach in deciding that a



Decision of the High Court cont'd...

comparable dwelling relied upon, known as Clooneavin, was unreliable. In addition, the panel failed to take into account matters such as upkeep of roads and planning restrictions. In considering these arguments, no point of law was involved and instead the arguments involved challenges to the VTE's fact finding exercise and expert valuation judgment.

5. The appellant contended that the VTE panel should have awaited the outcome of other appeals in respect of other chalet bungalows. However, no point of law was involved and, in any event, the appellant had given no explanation as to why she believed that these other cases would have been relevant.

The appeal was dismissed.

Decisions of the VTE – Non-Domestic Rating 2017

End Allowance

This appeal concerned a group of office assessments on the upper floors of Dacre House in Dacre Street, London. The appellants sought an end allowance to reflect the disruption over a number of years following the demolition of New Scotland Yard and the construction of replacement buildings on the site. The building works were directly opposite Dacre House and the appellants considered the level of disruption warranted an end allowance of 18%.

The Valuation Officer (VO) defended the existing entries in the list for each floor, which included a 5% allowance. The VO placed most weight on the example of 20 Victoria Street, which had benefitted from a 10% allowance in the 2010 rating list to reflect the same works, which began in March 2017, before the 2017 rating list was compiled. The VO had made an offer to the appellants of an equivalent 10% allowance, which was declined by the appellants' representative. However, the VO then withdrew the offer and issued a decision maintaining the 5% end allowance in the existing valuations. It was claimed by the VO

that end allowances at the level sought by the appellants were only given in cases where the building works were on a party wall. The appellants' representative disagreed and provided multiple examples where substantial allowances had been given for works opposite the appeal property and for less intrusive and shorter periods of works.

After considering all the evidence, the panel found that the level of disruption experienced at Dacre House would have been higher than at 20 Victoria Street and therefore it should benefit from at least the same level of allowance. In light of the examples provided by the appellants' representative, albeit in other locations and concerning different building works, the panel found that a 15% end allowance was appropriate, and the appeals were allowed in part.

Read the decision [here](#).



Consolidated Practice Statement (CPS)

Please note: the [CPS](#) was recently amended and changes were effective from 1 April 2024. The CPS can be found on the VTS website under VTE guidance.

Decisions of the VTE - Council Tax Valuation

Self-contained unit in property - deletion sought on grounds the appeal property was not a hereditament

The appeal property was a single room with ensuite bathroom situated within a licensed House in Multiple Occupation. It had a band A assessment with effect from 12 September 2011.

On 12 April 2017 the Billing Authority (BA) issued an order prohibiting occupation of the appeal property as it did not meet the minimum standards required by the Housing Act 2004. An exemption under Class G was granted following the Prohibition Order, however in this appeal a deletion from the council tax list was sought on the grounds the appeal property was not a hereditament as it could not be occupied.



The appellant did not dispute that the appeal property was a dwelling under Section 3 of the Local Government Finance Act 1992 but maintained that as it was subject to a Prohibition Order and the BA had mandated that it could only be used for storage it should be deleted.

The LO referred the panel to the test in *John Laing & Son Limited v Assessment Committee for Kingswood Assessment Area & Others* [1949] 1 KB 344, arguing that at the time of the decision to enter the appeal property into the list there was actual exclusive occupation which was beneficial, and not too transient as it was occupied by a tenant who did not vacate until the notice from the local authority was issued. Once the appeal property had been entered into the list there had to be an overt act to justify deleting it.

The panel was satisfied that the appeal property was a dwelling on 12 April 2017 as it had been occupied immediately before this date and no evidence had been provided of an overt act that rendered it incapable of beneficial occupation on that date.

The property had subsequently been deleted following work on the property starting in November 2023.

Click [here](#) to read the full decision.

Decisions of the VTE - Council Tax Valuation

Dwelling correctly entered in the valuation list?

This appeal concerned a proposal to delete the entry in the valuation list on the basis that it could not be a dwelling because it was in disrepair and had no legal drainage system.

The Listing Officer (LO) had reduced the band entry of the property, Alpha Cottage, from band B to A with effect from 1 April 1993. However, the LO considered the property remained a dwelling and cited case law in support of keeping the entry in the list.

Click [here](#) to sign up to be notified of when the Consolidated Practice Statement is updated.

Decisions of the VTE - Council Tax Valuation cont'd...



The appellant contended that he had purchased the small, listed cottage mainly for its garden plot (which was not attached to the cottage) for re-development purposes. He had experienced problems getting listed building consent for the remedial works needed to bring the cottage up to a standard where it could be let to tenants or sold. It was explained that the previous occupant, an elderly lady who had been living there for years, had a Saniflo system whereby waste-water was discharged into a nearby storm drain. The appellant contended that this arrangement was illegal and the property should not be in the valuation list.

The panel decided that Alpha Cottage remained a dwelling and was correctly entered in the valuation list. It accepted that there were issues with the legality of the drainage and restrictions on the work that could be carried out on a listed building, but the property had recently had a new roof installed and had been the sole residence of an elderly lady up until a few years before the relevant date when the appellant purchased it.

After considering case law on the subject of disrepair, the panel was satisfied that Alpha Cottage was not truly derelict, was capable of beneficial occupation as a dwelling with reasonable repair and no scheme of works was underway on the relevant date.

The entry should remain in the valuation list as the dwelling was merely in a poor state of repair and the appeal was dismissed.

Click [here](#) for the full decision.

Decisions of the VTE - Council Tax Valuation

Composite property - interlinked holiday cottage

The appeal concerned whether the council tax band should be altered from band E (composite) to band D (composite), following a decrease in the domestic use of the appeal property.

The appellant was the owner of the appeal property, however he was not the owner when changes were made to the property in 2009.

When the property entered the council tax valuation list on 1 April 1993 in band E (composite), it was a detached house with eight bedrooms and attached outbuildings. It had been constructed in approximately 1600. The size of the accommodation was agreed to be 235m² and included land of over 100 acres. A large proportion of this land was sold in about 1993, which left about eight acres.

The previous owner of the appeal property had set up a pig farm and holiday cottage business in 2009, which resulted in the internal door from the main house to the holiday cottage being blocked up. The holiday cottage entered the non-domestic

Decisions of the VTE - Council Tax Valuation cont'd...

rating list on 27 June 2009. The reduced domestic element was agreed to be 184m² on the relevant date and had five bedrooms and was no longer a detached house.

At the hearing, the Listing Officer (LO) was unable to confirm if a review of the domestic element of the property had been undertaken when the holiday let entered the non-domestic rating list in 2009.

The appellant had identified negative factors created by the property being a composite hereditament and interlinked business premises. He had also provided evidence of other properties which were similar to his own which he considered were more comparable than those provided by the LO.



The panel found in favour of the appellant. It was satisfied that the value of the appeal property would have fallen as a result of the changes at the property in 2009 and was more persuaded by the comparable properties relied on by the appellant which were in the same vicinity.

Read the decision [here](#).

Decisions of the VTE - Council Tax Liability

Class U exemption

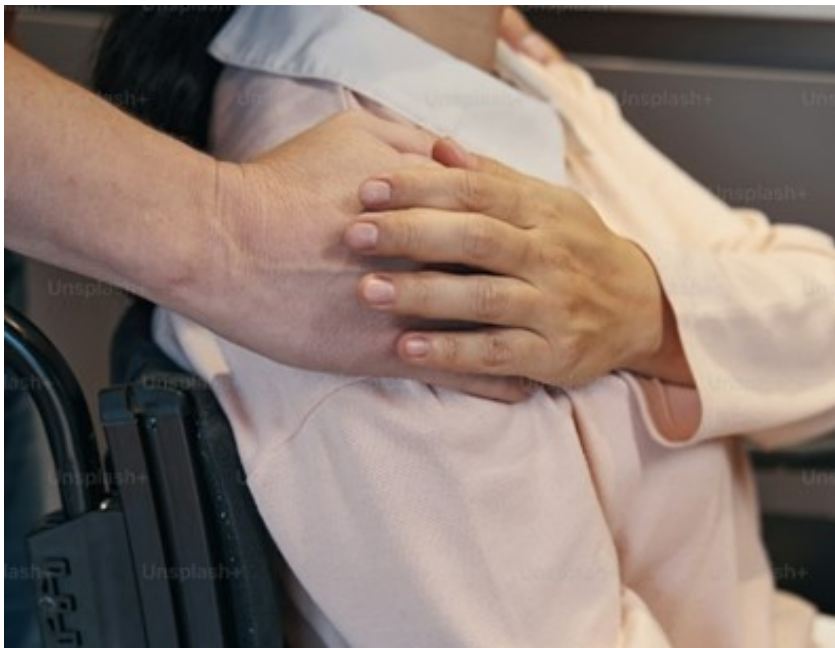
These appeals concerned two properties in Cumbria where the owner had passed away and her son, dealing with her estate, brought the appeals to challenge the Billing Authority's (BA) decisions on three different issues. The first property had been the owner's residence and her son considered the property should have been an exempt dwelling as he felt his mother would have qualified for exemption as a Severely Mentally Impaired (SMI) person. The BA had refused the exemption because no evidence had been provided that she was in receipt of a qualifying benefit or any confirmation from a medical professional that she met the criteria to be considered SMI. The owner's son contended that his mother had long-term mental health issues but had repeatedly refused to engage with medical professionals or claim any benefits to which she may have been entitled.

The second issue concerned a property that was owned by the same lady but had been sitting empty for many years. Although attempts had been made to sell the property, these had proved unsuccessful due to the owner's mental health issues. As a result, the property had become subject to an increasing premium due to being considered a long-term empty property. The owner's son felt that the premium should not be charged due to the circumstances of the owner and the fact that attempts had been made to sell the property. The BA maintained that the property premium had been correctly charged.

The third issue was an application for the BA to consider reducing or writing off the charges under its discretionary powers. The BA had made an award reducing the charge on the empty property to effectively off-set the premium for one financial year but refused any further relief.

The tribunal panel considered the facts and dismissed the appeals on all three points. It found that the BA had acted correctly in refusing exemption under Class U (SMI) because the evidence required to establish eligibility had not been provided. It

Decisions of the VTE - Council Tax Liability cont'd...



found that the BA's elected members had made a determination regarding the premium to be charged on long-term empty properties and the property met those criteria. The Tribunal had no power to interfere with the local determination on the level of premium in such cases. On the third point, the panel considered the merits of the case and found nothing wrong with the BA's decision not to award further discretionary relief. Although it had some sympathy with the situation, the panel found that there was no evidence that the taxpayer had been in financial hardship as she had multiple assets that could be liquidated to pay the council tax. Although attempts to sell one of the properties had not been successful in the owner's lifetime, her son had since sold that property and paid off the outstanding council tax that had accrued over the years.

The panel found this demonstrated there was sufficient finances available to pay the council tax and it was reasonable for the BA to refuse discretionary relief in such circumstances.

Read the decision [here](#)

Decisions of the VTE - Council Tax Liability

Class G exemption

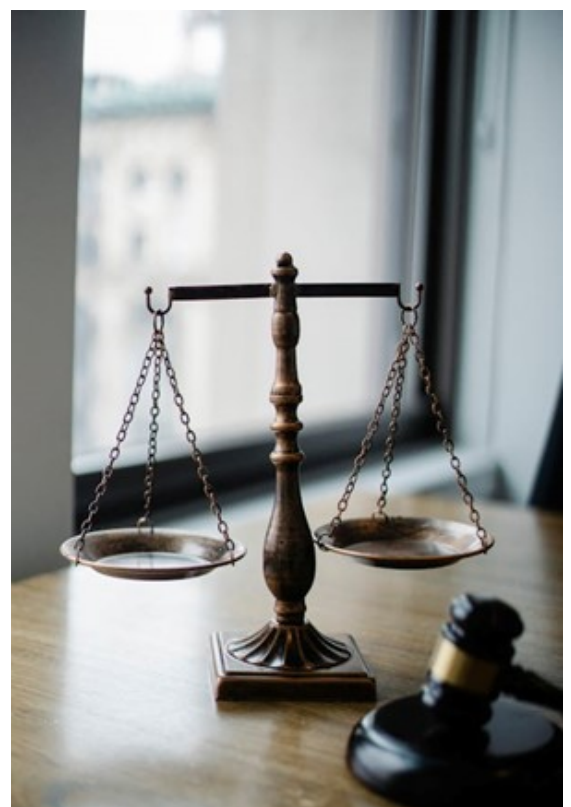
The appellant was aggrieved by the billing authority's (BA) determination not to award Class G exemption or, in the alternative, a 25% sole occupancy discount.

The appellant argued that after his release from prison, he was banned from the Blackpool area by the courts and he therefore considered that he was prevented by law from occupying the property.

He also argued that he had not been allowed his sole occupancy discount and that having to pay council tax on the appeal property and the property he was occupying had caused him hardship.

The panel referred to the President's decision in *Moore v Great Yarmouth Borough Council* and found paragraphs 21 and 25 most compelling. Paragraph 21 stated "The Class G exemption referred to the dwelling and not the personal circumstances of the owner" and paragraph 25 stated "An exemption under Class G would only be applicable if the unoccupied dwelling could not be occupied by any person by law".

Whilst the panel understood the appellant's difficulties on release from



To be continued on Page 10

Decisions of the VTE - Council Tax Liability cont'd...

prison, it was clear that the Class G exemption only applied if the actual property was prohibited from occupation, irrespective of the circumstances of the occupant or property owner.

As no notice was issued to the appellant either requiring works to be undertaken or to prohibit the occupancy of the appeal property; and it was not kept unoccupied by reason of action taken under powers with a view to prohibiting its occupation, or, with a view to acquiring the property, the panel concluded that the Class G exemption could not be awarded.

Turning to the appellant's request for the sole occupancy discount, as the appeal property was not his sole or main residence, he was not entitled to the 25% discount.

The appeal was dismissed.

Click [here](#) for the decision.

Decisions of the VTE - Council Tax Liability

Class J exemption and Discretionary Hardship Relief

The appellant had applied for a Class J exemption on the appeal property as she claimed she had to move out on 20 May 2015 to provide care for her parents and brother. The appellant also applied in the alternative for an exceptional hardship under section 13A (1) (c) discount.

'Class J

An unoccupied dwelling which was previously the sole or main residence of a qualifying person who—

- (a) *has his sole or main residence in another place for the purpose of providing, or better providing, personal care for a person who requires such care by reason of old age, disablement, illness, past or present alcohol or drug dependence or past or present mental disorder; and*
- (b) *has been a relevant absentee for the whole of the period since the dwelling last ceased to be his residence;'*

The panel found that when the appellant purchased the appeal property in May 2015, it was in a state of disrepair. Although the appellant had stored a limited amount of her possessions there, she had never resided there. Prior to purchasing the appeal property, the appellant lived in rented accommodation near to where her parents lived and continued to live there for some time afterwards. Most of her possessions and furniture remained in the rented property, despite her purchase of the appeal property.

Having regard to the above findings, the panel determined that an exemption in accordance with Class J was not applicable. Further having given careful consideration to all of the evidence presented the panel found nothing erroneous with the BA's decision to refuse



Decisions of the VTE - Council Tax Liability cont'd...

to grant a discretionary reduction. Accordingly, both of the appeals were dismissed.

Click [here](#) to read the decision.

Decisions of the VTE - Council Tax Liability

Class J exemption

In this appeal the issue in dispute concerned whether the circumstances of the appellant and the appeal dwelling had met the qualifying criteria for a Class J exemption.

The appellant's parents had been residing with him at his home for some time as they needed care. After failing health, the appellant's father passed away in November 2021, however, his mother continued to live with him as she needed constant care. Over 10 years the appellant had been building another property (the appeal property). The council issued a completion notice giving a date of completion for the appeal property of 12 November 2021; this date was later amended to 1 September 2022. Consequently, the appellant became liable for empty property council tax charges for the appeal property. The panel noted that Leeds City Council do not allow any discount for unoccupied property. The appellant disputed that the property was complete and was advised by the billing authority (BA) of his right to appeal to this Tribunal, however, no appeal was ever made.

The appellant was aggrieved at having to pay council tax for the appeal property; he argued that he could not move in because he and his wife were still providing care for his mother, in their current home. The appellant contacted the BA in October 2022 and was advised that unfortunately the appeal property did not qualify under Class J of The Council Tax (Exempt Dwellings) Order 1992 SI 558, as amended.

The panel understood the appellant's frustration, however it concluded that the appeal property was unoccupied during the period in dispute, as the appellant was living at his current home in order to provide care for his mother. Unfortunately, as he had never lived at the appeal property, it was not his previous sole or main residence, and therefore Class J could not apply. The appeal was therefore dismissed.

Click [here](#) for the full decision.

Decisions of the VTE - Council Tax Liability

Class N exemption

The appellant was sole resident at the subject dwelling with effect from 1 December 2020. She applied for an exemption of council tax as she was a PhD student of Swiss Management Center and undertaking a dissertation which she stated she dedicated approximately 21 hours a week to. The respondent determined that the educational establishment was located in Switzerland, and therefore the criteria to qualify for a Class N exemption was not met.

The appellant provided the Tribunal with a student certificate from SMC Swiss Management Center. The respondent did not dispute that the appellant was a student undertaking a full-time course of education, however, it determined that SMC Swiss Management Center was located in Switzerland and therefore not a relevant territory to be considered a prescribed educational establishment for the purpose of applying an exemption.

Part 1 of Schedule 2 to the Council Tax (Discount Disregards) Order 1992 stipulates that an institution is a prescribed educational establishment if it is situated in a relevant territory and established solely or mainly for the purpose of providing

Decisions of the VTE - Council Tax Liability cont'd...

further or higher education. The Order describes a relevant territory as England, Wales, Scotland, Northern Ireland or a member State.

The appellant stated that the educational establishment was located in Vienna, Austria, and provided its address of SMC Swiss Management Center GmbH, Landstraßer Gürtel 3, 1030 Wien, Austria. A copy of its location on Google Maps was also provided. She explained that the establishment was an online University which had multiple centres all over the world. She stated that her studies were conducted online, and if she was required to contact her Professor, she would do using the telephone number of the Austrian base.

The Tribunal found that the respondent had provided no evidence to substantiate its claim that the establishment was located in Switzerland. The appellant supplied evidence that the establishment was located in Austria, providing its address, its location on a map and confirmation that telephone contact was made between her and her Professor using an Austrian number. The Tribunal deemed that the appellant's evidence satisfactorily demonstrated that the educational establishment was located in Austria, which met the criteria of being a member State.

Accordingly, the Tribunal determined that the appellant met the criteria of a student, and a Class N exemption was applicable at the subject dwelling with effect from 1 December 2020.

Read the decision [here](#).



We welcome any feedback.

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Valuation in Practice is published quarterly; the next issue will be in August 2024