

Valuation Tribunal Service

Valuation in Practice

News in brief

Want to write to us?

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News Story: VOA integration with HMRC

On 1 April 2026, the functions of the Valuation Office Agency (VOA) were integrated into HM Revenue and Customs (HMRC), and the Valuation Office Agency no longer exists as an executive agency.

This change will not impact the delivery of core or statutory services. This includes business rates valuation checks and challenges, council tax band challenges and the work carried out by rent officers.

Cases will continue to be progressed but any communications after 1 April will come from the Valuation Office within HMRC. If you are in contact with a caseworker, their email address will change to @hmrc.gov.uk. They will continue to receive emails to their old VOA address.

The full news story can be found [here](#).

Press Release: Council tax shake-up to protect the most vulnerable households

Vulnerable people will have more time and support to settle their outstanding council tax bills under reforms to make the system fairer, the government announced.

Ministers have confirmed changes will be made to the administration of bills, which have been left unchanged since 1993 and have become outdated and left people facing unnecessary stress and anxiety.

Under the current system, missing one monthly payment can leave people facing financial ruin, as they become liable to pay the entire outstanding sum in a single payment just two weeks later.

This will change from next year with households given 63 days, roughly two months, to settle their bill and a requirement for councils to work with them on a sustainable repayment plan.

Billing for council tax will also be shifted to 12-monthly payments by default, rather than the current 10 months, and capping the costs which councils can charge when seeking a liability order – how councils recover overdue bills – to £100. The full press release, published on 15 April 2026 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

Guidance: How domestic properties are assessed for Council Tax bands

Within this guidance, updated on 25 February 2026, the Valuation Office (VO) explains how domestic properties are valued for council tax bands.

Council Tax Manual

On 2 March 2026, the Valuation Office's (VO) technical manual for assessing a domestic property for council tax was updated.

The Valuation Office's Council Tax Manual is primarily provided as practice guidance for Valuation Officers. The contents of the manual represent the VO's understanding of the law at the time it was prepared and whilst it is carefully compiled, the VO does not guarantee the completeness or accuracy of the information in it. From time to time, the contents may be revised in the light of changes in legislation and decisions of the tribunals and higher courts or to reflect changing policy.

More information can be found [here](#).

Council tax policy paper: Referendums relating to council tax increases (Principles) (England) report 2026 to 2027: final

On 9 February 2026, Ministry of Housing, Communities & Local Government (MHCLG) published a final report setting out council tax excessiveness principles ('referendum principles') for 2026 to 2027. It will be laid before the House of Commons for approval at the time of the final settlement. Read more [here](#).

Council tax information letters

The latest council tax information letter provides updates for local authorities on the following council tax matters:

- The accuracy of council tax support information and the carers disregard
- Council tax reduction schemes and wider welfare changes

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- Local government reorganisation and the second homes premium
- The Renters Rights Act and council tax liability

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

Guidance: Staying safe from scammers

This [guide](#) from the Valuation Office (VO) will help you identify fraudulent calls, emails and texts. You can also find out how to report any suspicious activity.

Guidance: Business rates: Pubs and live music venues relief - local authority guidance

On 18 February 2026 MHCLG published [guidance](#) to support local authorities in administering the pubs and live music venues business rates relief, announced on 27 January 2026.

Guidance: Business Rates Multipliers: Qualifying Retail, Hospitality or Leisure

This [guidance](#), updated on 30 March 2026, is intended to support billing authorities in interpreting the Non-Domestic Rating (Definition of Qualifying Retail, Hospitality or Leisure Hereditament) Regulations 2025 (SI 2025/1093) for the purposes of administering the business rates retail, hospitality and leisure (RHL) multipliers. As business rates are a devolved tax, this guidance applies to England only.

News story: Valuation Office – New rateable values come into effect for 2026 to 2029

New rateable values for more than two million non-domestic properties have come into effect from 1 April 2026. These are typically commercial properties but include any property not used as a home. Click [here](#) to read the article.

Guidance: Help with the 2026 business rates revaluation

On 1 April 2026, HM Revenue & Customs and Valuation Office updated guidance about the 2026 revaluation. This includes how to find a business rates valuation, how properties are valued and what to do if a valuation is wrong. Read more about this [here](#).

Official Statistics: National non-domestic rates collected by councils in England: forecast for 2026 to 2027

This [release](#) provides data on the forecast of non-domestic rating income due to local authorities in 2026-27, including data relating to the amount of business rates reliefs forecast to be given to businesses. The 2026-27 forecasts are not directly comparable to previous years with the introduction of additional multipliers, the 2026 revaluation and changes from the Business Rates Retention reset.

Business rates information letters

See [here](#) for the latest business rates information letters issued by MHCLG.

Our Tribunal Hearing Programme – April to June 2026

The profile and volume of hearing days for Quarter 1 are:

Tribunal Type	April	May	June	TOTAL
Council Tax	56	57	51	164
2017/2023 Rating List	19	18	25	62
2017 Rating List Complex Case	1	0	0	1
TOTAL	76	75	76	227

What is on the VTE Stayed Appeals List?

Appeals relating to Amazon “Generation 10” large distribution houses have been stayed pending the Kegworth site appeal being heard by a Vice President as a complex “test” case.

An appeal has been made to the Upper Tribunal regarding Sewage Treatment facilities valued by the Contractors’ basis where an allowance is sought by the appellant for underutilised treatment capacity at the material day. Similar appeals will be stayed until the outcome of the Upper Tribunal appeal is known.

The Court of Appeal issued a judgment on 15 January 2026 concerning advertising rights owned by Network Rail on railway premises or operational land. A stay remains in place as the ratepayer has sought permission to appeal to the Supreme Court.

The VTE test case decisions regarding Anaerobic Digestion plants appeals on Bay Farm ([CHG100858911](#)) and Oak Grove ([CHG100890093](#)) have been appealed to the Upper Tribunal. Similar appeals will be stayed until the outcome of the Upper Tribunal appeal is known.

Important Information

Case law list update:

From 1 April 2026, the VTS will no longer be maintaining a separate case law list on the valuationtribunal.gov.uk website. Parties are required to provide full copies of a case as part of disclosure, unless:

- the case is available on BAILII (www.bailii.org) or National Archives Case Law Service (caselaw.nationalarchives.gov.uk);
- and the party provides a weblink to the case, the appropriate case citations, and an appropriate extract.

Decision of the Upper Tribunal

Compare the Market Ltd v Karen Giles (VO) [2026] UKUT 77 (LC)

This was an appeal against the Valuation Tribunal for England (VTE) panel's decision which had dismissed the appellant's appeal against the Valuation Officer's (VO) existing assessment of £945,000 Rateable Value (RV) with effect from 1 April 2017.

The appeal property comprised two separate office buildings which although 59 metres apart, it was agreed that they formed a single hereditament. The two office buildings were Pegasus House and Saxon House and the appeal hereditament was situated in Orton Southgate, Peterborough adjacent to junction 17 of the A1(M).

Pegasus House dated back to 1990 but Saxon House was built 23 years later in 2013. When Pegasus House was built, it was not developed for a single occupier in mind but as three distinct units intended for multiple occupation. In its original configuration, it had three reception and service core areas with multiple occupiers in mind. The three units were joined by corridors at the Ground and First floor levels.

BGL (the parent company of the appellant) having taken up full occupation of Pegasus House, built Saxon House as it needed more space. Saxon House was described as highly conventional.

Prior to the Upper Tribunal (UT) proceedings, the parties had agreed that the tone of value for offices within Peterborough was £95 per m². Survey areas and relativities were agreed. A 10% allowance for quantum was also agreed.

The issues in dispute were the level of allowance for layout at Pegasus House and the level of allowance for fragmentation to reflect the split nature of the site. Both parties had applied a holistic single figure for these two adjustments in their respective valuations. Mr Rabbette for the ratepayer had applied 10%, whilst Mr Gausden for the VO had applied 5%.

At the hearing Mr Rabbette declined to split his allowance between layout and fragmentation. Mr Gausden, on the other hand, said that his figure of 5% could be divided equally between the two factors.

A number of properties were put forward, where end allowances had been conceded, for the purposes of comparison. Some of the comparable properties were drawn from Cambridge, others from further afield.

As the layout issue was only relevant to Pegasus House, the UT member looked at the two issues in turn. The comparable evidence he found most helpful was drawn from the Science Park in Cambridge where allowances of 4½% and 5% had been conceded for buildings that dated back to the 1990s. It was difficult to tell whether the resultant allowance should have been more than that conceded in Cambridge but he doubted that it would have been less, so he adopted 5% for the layout issues at Pegasus House in his valuation.



Consolidated Practice Statement (CPS)

Please note: the [CPS](#) can be found on the VTS website under VTE guidance.

Decision of the Upper Tribunal cont'd...

With regard to fragmentation, the UT member adopted a further allowance of 5%. The comparable evidence that attracted the most weight was derived from 9/10 Office Village, Forder Way in Peterborough, a trio of offices on the Cambridge Business Park and Abbey Barns at Ickleton. For the three buildings in Cambridge a 7½% allowance was conceded which supported an allowance of 5% for the two buildings in the appeal case. At Abbey Barns, there were three buildings but they were closer together than at the subject hereditament. 7% for the split site was conceded for Abbey Barns which the VO said included a “quantum” element. The UT member allowed 2% for quantum, which left him with 5%, an allowance he was able to justify for the appeal property.

Once the two determined allowances were applied in the valuation exercise, the UT member arrived at his valuation of £905,000 RV with effect from 1 April 2017 and allowed the appeal.

Decision of the Upper Tribunal

Caffe Concerto Limited v Johnson (VO) [2026] UKUT 148 (LC)

In this matter, the Upper Tribunal (UT) (Judge Elizabeth Cooke) considered the Valuation Tribunal for England’s (VTE) exercise of discretion in refusing to admit a non-domestic rating list appeal outside of the four-month statutory time limit. The appeal was 38 days late.



Whilst agreeing that the VTE was correct to be guided by the principles of the Court of Appeal’s judgment in *Denton & Ors v TH White Ltd & Ors* [2014] EWCA Civ 906, the UT criticised the VTE’s application of those principles. The UT found that the VTE’s decision was a harsh response to an inadvertent delay, but that the appeal to the UT could only succeed if the VTE’s decision was not a proper exercise of its discretion, at paragraph 8.

At paragraph 12, the UT stated that the VTE’s consideration of the first stage of the *Denton* enquiry was cursory. There was no real consideration regarding the impacts of the delay. Instead, the UT found, at paragraph 13, that the VTE’s determination that the delay was serious appeared to be an automatic reaction to a delay of any length of time, rather than a considered evaluation.

Considering the second stage of the *Denton* enquiry, the UT found, at paragraphs 14 and 15, that the VTE had failed to give proper weight to the effect upon the appellant’s representative, of the Valuation Office’s (VO) unexpected behaviour (giving service of the challenge decision by email, rather than through the electronic portal).

Critically, at paragraph 16, the UT found that the VTE failed to give any consideration to the third stage of the *Denton* enquiry at all. It found, based upon the circumstances, it *very difficult* to see how the dismissal of the appeal

was a proportionate response to the delay.

The UT allowed the appeal, setting aside the VTE’s decision and reinstating the rating appeal by granting an extension to the time limit which the VTE had refused.

Decision of the Upper Tribunal

Espresso Rooms UK Ltd and Nicola Johnson (VO) [2026] UKUT 70 (LC)

This was an appeal made by the ratepayer against the Valuation Tribunal for England’s (VTE) decision to dismiss its appeal and uphold the Valuation Officer’s (VO) existing assessment of £146,000 Rateable Value with effect from 27 December 2018. The appeal property was a shop and premises at 77 Shaftesbury Avenue in West London and the underlying basis was £2,160 per m² in terms of Zone A.

At the Upper Tribunal (UT) hearing, the VO did not defend the assessment that had been upheld by the VTE. Instead, the VO defended their revised valuation of £109,000 RV based on a tone of value of £1,600 per m², in terms of Zone A. In contrast, the appellant’s proposed valuation was £75,000 RV based on a Zone A rate of £1,100 per m².

In arriving at her decision, the UT member Diane Martin had regard to the actual rent passing on the appeal property and indirect rental evidence that was derived from comparable properties put forward by the parties’ experts.

With regard to the actual rent, no weight was attached to it as it was low, in comparison to the basket of rental evidence. The level of rent was also set over two years after the antecedent valuation date (AVD) which also underlined its unreliability.

The rents passing on the comparable properties at Unit 2 Wingate House and 35 Frith Street indicated that rental values,

Decision of the Upper Tribunal cont'd...

when adjusted to the AVD ranged from £1,513 to £1,630 per m² in terms of Zone A which showed that the VO's adopted tone of £1,600 was reasonable. Moreover, the rating assessment for 35 Frith Street was agreed with the ratepayer, following a challenge, based on a tone of value of £1,600 per m².

Ultimately, the appeal was allowed but only to the extent conceded by the VO. The UT member held that the VO's revised valuation was supported by the comparable evidence.

In her judgment, the UT member expressed her criticism about the appellant's expert because he had previously acted for the ratepayer in a dual capacity as both Advocate and expert witness until Counsel was appointed. So, there was a question mark over his independence which the VO's Counsel tried to exploit in cross examination.

Although the appellant's expert was confident that when giving his evidence, he knew that his first duty was to the UT and therefore the evidence he had provided was independent, there was no acknowledgement of the services provided to his client in his expert report.

Paragraph 19.6 of the Tribunal's Practice Directions permitted an expert to assist a party in preparation of the case before the hearing, and at the hearing in a supportive capacity, provided those services are acknowledged in their expert report. However, the UT member did not see such an acknowledgement in the ratepayer's expert's report. Paragraph 19.15 states, *inter alia*, that an expert's report must include "...a statement of the substance of the instructions received by the expert (whether written or oral)". In his report the ratepayer's expert did not provide details of any instructions which he may have received, in writing or orally.



Decisions of the VTE - Non-Domestic Rating List 2017

Challenge against the accuracy of the compiled list entry

The appellant sought a nominal assessment for this iconic South Kensington site which is famous for its Waterhouse building with its lavish highly innovated terracotta decorative design. The Valuation Officer's (VO) initial compiled list assessment was £12.92 million with effect from 1 April 2017. However, having considered the appellant's proposed alteration and finding it not well founded, the VO had reduced the assessment to £4.16 million.

The appeal before the Valuation Tribunal for England (VTE) was heard by a Vice President with both parties represented by Counsel.



The main issue in dispute between the parties was the treatment of Grant in Aid. It was a condition of grant funding that the museum was not entitled to charge for admission. Both parties' experts produced valuations on a full Receipts and Expenditure approach on the basis that the hypothetical tenant would charge for admission. That being the case, there would, as a consequence be a fall in visitor numbers and a fall in receipts from café/refreshment and shop sales.

The most significant differential between the two parties' valuations was the fact that the respondent VO had included £17.4 million of the Grant in Aid received, to reflect its scientific work and activity, which went far beyond attracting visitors to view open specimens on display. The appellant, by contrast, had not reflected any grant income in their valuation.

Other issues in dispute related to the amount that should be attributed to buildings insurance and depreciation. In the event that there was a net profit in the Vice President's Receipts and Expenditure valuation, there was a dispute between the parties regarding the size of the tenant's share.

Having considered the competing arguments and submissions, the Vice President decided to reject the competing parties' valuations as both were based to some extent on notional guesstimated figures. Instead, the Vice President opted

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Decisions of the VTE - Non-Domestic Rating List 2017 cont'd...

to base his valuation on the actual accounts which showed that the appellant was trading at a loss. This meant that there was no net profit and no divisible balance to be apportioned between the tenant and the landlord (whose share would equate to the rent and therefore be used to arrive at the rateable value (RV)).

This led to the inevitable conclusion that the appeal should be allowed and the entry be reduced to £1 RV.

It may appear strange to any readers of this article, who have visited the Natural History Museum, that such premises would attract a nominal assessment. However, three recent Upper Tribunal (UT) judgments, which were binding on the VTE, had held that if a museum was trading at a loss or the accounts did not show a profit, a nominal valuation was appropriate.

In the cases that were brought before the UT, the VO had previously argued that the museum's value should reflect *socio economic* value and storage value, but these arguments had been rejected. In this case, the VO was coming from a different angle with their argument over the scientific work and its value, but the Vice President decided that the museum's accounts showed that the Grant in Aid received covered the scientific element.

The VO has since appealed the VTE's decision to the UT.

The full decision can be found [here](#).

Decisions of the VTE - Non-Domestic Rating List 2017

Self-catering holiday unit

The subject property was built in 2008 and was originally constructed as a hostel with planning permission granted for 41 self-contained studios, a storeroom, common rooms and a porter's room. The appellant company had taken on the management of the subject property on 1 April 2017.

The appellant's representative argued that as the subject property had no storage, the basement apartments had been used to store various items such as cooking equipment, crockery and bedding. However, this appeared to contradict the appellant's own description of the subject property as the planning permission included a storeroom.

During questioning he confirmed that those apartments had not materially changed from apartments. One of the photographs still showed a shower cubicle, toilet and sink and still contained the plumbing. However, this appeared to contradict the appellant's own description of the subject property as the planning permission included a storeroom.

Vacant and to let, the panel concluded that as there had not been an overt act that prevented the apartments from being used as such, they still had to be valued in regard to their mode or category of use which was apartments, rather than storage.

The passing rent was stated to be £400,000 effective from 1 April 2019 but not only was it after the antecedent valuation date (AVD), it was between connected parties and therefore not an arms-length transaction.

The appellant's representative submitted that as the rateable value (RV) had changed from £104,000 for the 2010 Rating List, to £235,000 for the 2017 Rating List and had subsequently been reduced to £116,000 for the 2023 Rating List, this demonstrated that the RV for 2017 was too high. However, the panel attached no weight to that argument, citing the Upper Tribunal's (UT) judgment in *Flight Centre (UK) limited v Ricketts (VO)* [2021] UKUT 0315 (LC) where the UT member also took that approach.

As the rent was between connected parties, the appellant's representative provided the profit and loss accounts for the years 2018, 2019 and 2020. However, the panel rejected these to determine the RV as they were post AVD.

Turning to the Double Bed Unit (DBU) rate, which the Valuation Office (VO) had used to determine the RV, the appellant's representative argued that the VO's comparable properties were closer to the centre of London where the DBU rate was greater and he had referred to other comparable properties with lower DBU rates but for most of them, the properties had different Special Category (SCAT) codes.

To determine the appeal, the panel found the VO's calculation of the DBU rate was more reliable. He had referred to the DBU rates for other properties in central London and then reduced the DBU rate for the subject property to £4,000 per DBU to reflect it being located further away from the centre of London and the panel dismissed the appeal.

The full decision can be found [here](#).



Decisions of the VTE - Non-Domestic Rating List 2017

Split assessment sought for large industrial unit

This case concerned an appeal relating to a 2017 Rating List entry for an industrial property comprising several units situated within an older industrial complex. The appellant sought to have the single existing assessment split into six separate hereditaments from a specified material date, arguing that each of the units was separately occupied by different licensees operating independent businesses. The Valuation Officer (VO) opposed the change, maintaining that the appellant retained paramount occupation and control over the whole site under the terms of the licence agreements in place at the relevant time.



The Tribunal reviewed the history of the property, noting that it had previously been assessed as one hereditament under a former owner, and that the appellant had continued to occupy one unit while licensing the remaining units to others. Although the appellant asserted that practical arrangements showed each occupier to be in exclusive control of their own unit, the Tribunal focused on the legal rights in effect on the material day. The licences contained a clause granting the appellant unrestricted control, possession and management of each unit, coupled with a right to enter at will. The appellant argued that this clause was a drafting error and that a later amended version better reflected the parties' intentions, but the Tribunal held that only the contractual terms in force on the material date could be considered.

In reaching its decision, the Tribunal applied established rating principles, including the requirement to identify the rateable occupier by determining who had paramount occupation. Although the physical occupation by the licensees was acknowledged, the Tribunal concluded that their use was legally subordinate because of the appellant's overriding possession and control under the licence terms. The panel considered the appellant's references to case law and to the Valuation Office's Rating Manual but found that the express contractual terms were decisive. The Tribunal noted that post-event amendments could not alter the legal position on the material day.

The Tribunal also found that the appellant had not discharged the burden of proving that six separate hereditaments existed. While the units could be geographically identified, the occupiers did not possess the degree of exclusive occupation required for separate entries in the rating list. Instead, the appellant remained in paramount occupation of the entire property. As a result, the existing single assessment was found to be correct.

The Tribunal therefore dismissed the appeal and confirmed that the property should remain entered in the rating list as a single hereditament.

The full decision can be found [here](#).

Decisions of the VTE - Council Tax Liability

Second home premium

This was an appeal against Isle of Wight Council's decision to treat the appeal property as a periodically occupied dwelling subject to a 100% council tax premium from 1 April 2025 under Section 11C of the Local Government Finance Act 1992. The central issue was whether the property was the appellant's sole or main residence.

The appellant purchased the property in 2022 and initially informed the council that, although it was furnished, he would mostly stay on the mainland with his friend, using the Isle of Wight property mainly at weekends. The council therefore classified it as a second home. When the council introduced its determination to impose a premium from April 2025, the appellant disputed this, asserting that the cottage was his only property that he owned, which contained his belongings and was therefore his "home".

The Tribunal considered the relevant statutory framework and case law, particularly **Williams v Horsham DC [2004] EWCA Civ 39**, which established the "reasonable onlooker" test for identifying a person's main residence. Other relevant factors included where a person spends most of their time, keeps their possessions, maintains family ties, receives post, and accesses healthcare or electoral registration.

Evidence showed that the appellant works full-time for an auctioneer and must be primarily based on the mainland, frequently staying at the home of his friend, occasionally at hotels,



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

and also assisting with care for his elderly mother in Old Basing. He confirmed he spends most of his time on the mainland, keeps his car there, is registered with a mainland GP and dentist, and would seek further mainland accommodation if he could no longer stay at his friend's house, rather than relocate permanently to the Isle of Wight, if his circumstances remained the same. Although the appeal property was furnished and intended for his long-term future use, the appellant provided no documentary evidence indicating it was his main residence.

Applying the "reasonable onlooker" test, the Tribunal determined that the appellant's life is principally centred on the mainland. The Isle of Wight property, while owned and used periodically, is not his main residence at present. The appellant was placing most weight on ownership or security of tenure, whereas the Tribunal considered the wider picture of where he primarily resides and his ties to that property. The appeal was therefore dismissed, confirming that the council was entitled to apply the 100% premium for a furnished dwelling with no resident under Section 11C.

The full decision can be read [here](#).

Decisions of the VTE - Council Tax Liability

Second home premium

This was an appeal against Reigate & Banstead Borough Council's decision to apply a council tax premium to the appeal property from 1 April 2025, on the basis that it was a periodically occupied dwelling under Section 11C of the Local Government Finance Act 1992. The appellant claimed the property met one of the statutory exceptions from the premium as a job-related dwelling.



The appellant, a GP living in Brentwood, Essex since 1998, purchased the Epsom property in 2018 so that he could assist his daughter with childcare there during part of the week. The council treated the property as a second home and imposed the new premium from 1 April 2025. The appellant contended that the property should be classed as a Class J (job-related dwelling) exception because he needed to stay near the surgery in Essex but also used the Epsom home partly for family childcare responsibilities, which he also considered a job.

Before examining the Class J argument, the Tribunal identified a more fundamental issue: had the council demonstrated that it had made a lawful local determination under Section 11C? At the hearing, the council acknowledged it had not included the determination in its evidence bundle. The panel, after checking there was no objection from the appellant, invited the council to supply the local determination by the end of the hearing day.

After the hearing, the council submitted a document dated 1 February 2024, which set out recommendations to full council regarding various council tax changes, including long-term empty property premiums and a "second home premium". However, the Tribunal found multiple problems with this document:

- It was not evidence of an actual resolution by elected members, only a report to full council containing recommendations.
- The wording was ambiguous, including references to "empty and furnished second homes" and proposals to charge "200% council tax," which conflicts with the statutory limit of a maximum 100% increase under Section 11C.
- The document referred to changes being introduced for 2024/25, even though Section 11C premiums cannot lawfully start until 1 April 2025.
- There was no proof that full council had adopted or approved the measures required to levy the premium.

Given the council's failure to evidence a valid local determination, an essential legal prerequisite, the Tribunal concluded it had no authority to impose the premium. As a result, the appeal was allowed, and the council was ordered to remove the premium from 1 April 2025. The Tribunal therefore did not need to decide whether the Class J exception applied.

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

Decisions of the VTE - Council Tax Liability

Second home premium

The Tribunal dismissed RFT Project Management Ltd's appeal against the 100% second home council tax premium applied to Windy Harbour Cottage, finding that the property was substantially furnished, had no resident, and therefore met the statutory definition of a second home. The panel held that Blackburn with Darwen Borough Council had correctly exercised its discretion when adopting the premium and was required to apply it unless a statutory exception was met. The appellant's

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



representative tried to argue at the hearing that the billing authority was wrong to apply a blanket approach and not consider each property on its own circumstances. In the appeal submission, it was argued that the billing authority had discretion not to levy a premium as the appeal property should be excepted from it, as it was used for work purposes.

Strangely at the hearing, the appellant's representative focused purely on the council's discretion rather than the Class J exception. However, the panel also found that Class J did not apply because the property was not provided due to employment requirements nor necessary for the performance of work duties. Consequently, the premium stood and the appeal was dismissed.

The full decision can be read [here](#).

Decisions of the VTE - Council Tax Liability

Premium for long-term empty dwellings

This case concerns a dispute over the charging of a premium on the basis that the subject property is a long-term empty dwelling. The property had been unoccupied since December 2021, when the previous owner (a registered charity) ceased letting it to tenants. The charity benefitted from a six-month Class B exemption while it owned the empty property. In April 2023, the appellant purchased the property. He stated it was in poor condition, required substantial work, and remained unoccupied. He had returned to the United States to care for his mother, who was elderly and unwell, and argued that he should not be liable for council tax until the Land Registry updated the title in 2024. He also argued the property was exempt under Classes B, G, or J of the Council Tax (Exempt Dwellings) Order 1992, and that it should not attract a premium.

The Tribunal rejected all exemption arguments. Class B did not apply because the appellant was not a charity. Class G was also rejected because the appellant provided no evidence that occupation was legally prohibited; being poor or in an unsafe condition is insufficient without a statutory prohibition. Class J was dismissed because the property had never been the appellant's residence prior to him leaving the country to provide care for his mother. Therefore, he was not a "relevant absentee" as required.

Regarding liability, the Tribunal held that responsibility arises from the date the purchaser acquires a *material interest*—in this case, the completion date of 17 April 2023—not the date that the Land Registry updated its records. Under section 6(2)(f) of the Local Government Finance Act 1992, an owner of an unoccupied dwelling is liable.

On the premium issue, the Tribunal found that the property had been unoccupied and unfurnished continuously since December 2021. Under Section 11B of the 1992 Act, once a property had been in that state for two years, the Billing Authority (BA) has discretion to apply a premium. Huntingdonshire District Council had lawfully resolved to apply such premiums from April 2019. Challenges to those determinations can only be made through judicial review, not a Valuation Tribunal appeal, so the panel could not comment on the decision of the council's elected members to apply a premium to qualifying properties.

The appellant also raised issues around financial hardship but his application to the council for consideration under its discretionary powers had not yet been considered and was therefore beyond the scope of the appeal. The Tribunal also had no jurisdiction to consider the appellant's contention that the property should be deleted from the valuation list, as this was a matter to be raised with the Valuation Office (VO) for consideration first. The Tribunal concluded that the council tax charge was correctly calculated and dismissed the appeal.

Read the decision [here](#).



Decisions of the VTE - Council Tax Penalty Notice

Failure to supply information to or notify billing authority

This case concerns an appeal against a £70 council tax penalty imposed on the appellant under Schedule 3 to the Local Government Finance Act 1992 (the Act) following a Single Person Discount (SPD) review carried out by the Billing Authority (BA).

Decisions of the VTE - Council Tax Penalty Notice cont'd...

The appeal was brought after the BA imposed the penalty on the basis that the appellant had not responded to its canvass within a specified timescale nor in the format requested. The appellant maintained that the relevant information had been provided.

The BA engaged a third-party contractor to undertake its SPD review and issued correspondence requesting confirmation of the household composition within 14 days, directing the appellant to respond by text message, online form or paper return. Following the reminder, the appellant telephoned the BA to provide the requested information and later followed up by email confirming the household circumstances and asked for the SPD to be updated.



During the hearing, the BA relied on paragraph 1(2) of Schedule 3 to the Act, submitting that the appellant had failed to comply with a statutory duty to notify the authority of a change affecting the discount. The Tribunal also considered Regulation 16(1) of the Council Tax (Administration and Enforcement) Regulations 1992 (the Regulations), which provides a 21-day statutory period for notifying the authority of a change affecting discount entitlement.

In reviewing the BA's position, the Tribunal noted that the BA had not identified any provision within the Act or the Regulations requiring a response within 14 days, nor any requirement for the information to be supplied by

text message, online form or paper canvass. These instructions were part of the BA's administrative process rather than statutory obligations. The Tribunal also observed that the penalty notice cited Section 3 of the Act rather than Schedule 3, emphasising the importance of referencing the correct statutory provision when imposing a penalty notice.

A further factor was that the appellant's SPD was subsequently reapplied, confirming that entitlement to the discount had not ended at the time of the canvass. As there had been no discount-ending change of circumstances, the appellant did not have reason to believe the discount was incorrect, and no statutory duty to notify had arisen under Regulation 16(1). In these circumstances, the Tribunal found that the conditions for imposing a penalty under paragraph 1(2) of Schedule 3 to the Act had not been met.

The Tribunal considered the relevant law, including paragraph 1(2) of Schedule 3 to the Act and Regulation 16(1) of the Regulations. It found that no statutory duty to notify had arisen and that the BA's 14-day timescale and specified method of reply were administrative requirements with no basis in legislation.

The Tribunal therefore concluded that the penalty had been imposed without lawful foundation. It therefore allowed the appeal and quashed the penalty.

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

Decisions of the VTE - Council Tax Valuation

Proposal to delete

This case concerned an appeal against the Listing Officer's (LO) decision to retain the subject property in the council tax valuation list. The appellant sought deletion of the assessment on the basis that the property was no longer a dwelling because it was beyond reasonable repair and incapable of occupation.

The property was a detached bungalow primarily constructed from a lightweight timber seaside chalet, moved to its present location in the 1960s, with a later rear extension added in the 1970s/80s.

The appellant's argument that the appeal property was no longer a hereditament was supported by a Hazards Awareness Notice and an independent surveyor's report.

Photographs and statements indicated the structure was rotten and uninhabitable. However, the LO's decision of 23 July 2025 concluded the property should remain in the list, prompting the appeal lodged on 13 October 2025.

The panel found the information contained in the Hazard Awareness Notice and a surveyor's report to be compelling. The property suffered from, extensive damp and mould, collapsed roof coverings, deteriorated walls/floors, rotting doors and windows, ivy growing inside, it had no heating system, the kitchen and bathroom facilities were defective and the electrics were dangerous with the consequent fire risk together with structural issues.

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

The independent surveyor's report described the property as derelict.

The Tribunal found that the appeal property had deteriorated well beyond normal or reasonable repair, meaning it was no longer a hereditament. It appeared to it that the Listing Officer had disregarded the Valuation Office's (VO) own Council Tax Manual guidance on what "truly derelict" properties were, as the property displayed numerous negative indicators such as water ingress, collapsed ceilings, structural instability, and intrusive vegetation.

The appeal was therefore allowed and the property's entry was removed from the valuation list with effect from 4 April 2024.

The full decision can be found [here](#).



We welcome any feedback.

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The appeals of Lucy Dyer (VO) and Nicola Johnson (VO) [2026] UKUT 00158 (LC)

As this edition was going to press, the above Upper Tribunal (UT) judgment was released.



It related to two office buildings where the Valuation Tribunal for England (VTE) allowed the appeals and reduced three office assessments, the Valuation Officers (VO) appealed and the appeals were heard unopposed by the UT on the basis of written representations.

The issue in dispute was again the uplift to be reflected in the respective rating assessments to reflect office fit out.

The interesting points to note were as follows;

- A valuation uplift to reflect Category B fit out based on an average amortised costs approach was unreliable, given that different tenants fit out their offices differently to suit their own bespoke requirements (paragraph 47).
- Fit out costs provided on ratepayers' forms of return were considered unreliable (paragraph 69).
- Given the dearth of offices that are brought to the market in Category B condition, most rental evidence is drawn from offices marketed in Category A. Where there is Category B rental evidence this is because the original tenant has moved out and sub let them. The original tenant therefore became an accidental landlord. The VO has tended to place little weight on this evidence or disregard it completely because they treat them as second hand deals. However, in paragraph 85, Peter McCrea said such evidence carried weight and was not undermined by the fact that they were sub lettings, as the market is the market.

Ultimately, the appeals were allowed and the Valuation Officers' expert's valuations were upheld.

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