Issue 81 August 2026

Valuation Tribunal Service

Valuation in Practice

Inside this issue:

Supreme Court Judgment	*4*
Decisions of the Upper Tribunal	*4-8*
Decisions of the High Court	*8-12*
Amazon UK Services Ltd and Karen Giles (VO)	*12*
Disabled band reduction appeal	*13*
No Evidence of Long-Term Empty Premium by Billing Authority	*14*
House in multiple occupancy	*16*
Class B exemption	*17*
Class G exception	*18*
Evidence of local determination relating to long term empty premiums	*19*
Class E exemption	*20*
Penalty notice	*21*
Demolition intentions and removal from the council tax list	*22*
Deletion sought for low grade former garage accommodation assessed as a single hereditament	*23*
Deletion of a property from council tax list and relevant date of deletion due to fire damage	*25*
Increase from Band E to Band G in dispute	*26*
And in other news...	*27*

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.

News in Brief

Want to write to us?

Valuation Tribunal Service, Ground Floor, Fry Building, 2 Marsham Street, London SW1P 4DF.

Email us at appeals@valuationtribunal.gov.uk.

Appointment of Valuation Tribunal Service Chief Executive Officer

We are pleased to announce the appointment of Amelia Wright as the Valuation Tribunal Service's CEO. Amelia started her role on 15 June 2026.

During over 20 years in the public sector Amelia has held leadership roles at the Ministry of Justice, the Home Office, and the Financial Ombudsman. In her most recent appointment as Executive Director of the Judicial College, she led the development and launch of the Judicial College's Strategy 2021-25, implementing significant organisational and digital transformation. Prior to that, Amelia held a range of leadership roles including in the areas of legal sector regulation, consumer policy, asylum, and immigration and offender management.

Guidance: Renters' Rights Act overview for tenants

The Renters' Rights Act has changed how landlords let out private properties on or from 1 May 2026.

This overview of the main changes is for tenants. Separate guidance is available for landlords.

The changes apply to privately rented properties. Different rules apply if you:

- rent from a housing association or local council
- live in student halls of residence
- are a lodger

Consultation: Improving enforcement of council tax (now closed)

This consultation was focused on seeking views on amending regulations to introduce steps that councils will be required to take before moving to formal enforcement and other steps which would be set out in guidance. The steps set out in guidance will not be statutory.

The scope of this consultation was on council tax collection and recovery processes only. It did not seek views on fundamental reform of the council tax system.

This consultation closed on 29 July. Read more here.

Consultation: High Value Council Tax Surcharge (now closed)

In the 2025 Budget, the government announced a new High Value Council Tax Surcharge (HVCTS), from April 2028, on owners of residential property in England worth £2 million and above. The HVCTS increases the tax paid by owners of high value residential property, raising revenue from those with the 1% most valuable properties in England to support funding for local government services and to reduce the largest inequalities in the council tax system (a multimillion-pound mansion could be paying less council tax than a small family home).

This consultation closed at 11:59pm on 14 July 2026. Read more here.

Official Statistics: Council Tax: stock of properties statistical commentary

This release includes statistics on the stock of domestic properties by council tax band and property attributes in England and Wales as at 31 March 2025.

Council tax information letters

4/2026: Technical consultation improving council tax enforcement

On 1 July 2026, MHCLG published an update on the government's technical consultation on council tax enforcement and the ongoing new burdens assessment into changes to council tax administration.

See here for the latest council tax information letters from the MHCLG.

Referral of the proposed Business Rates Relief for Electric Vehicle (EV) chargepoints and EV-only forecourts by HM Treasury

On 13 May 2026, the Subsidy Advice Unit (SAU) published a report providing advice to HM Treasury (HMT) concerning its proposed Business Rates Relief for EV chargepoints and EV-only forecourts subsidy scheme.

Further information can be read here.

Business rates information letters

5/2026: Supporting Small Business Relief

On 26 May 2026, MHCLG set out amendments to the eligibility criteria for Supporting Small Business Relief in relation to vacancy and reoccupation of property.

See here for the latest business rates information letters issued by MHCLG.

Official Statistics: Non-domestic rating: stock of properties, March 2026

This release contains statistics relating to stock of properties for England and Wales. The statistics provide information on the number and value of the stock of rateable properties (known as "hereditaments"), broken down by sector and geographic location. Click here to read more.

Accredited official statistics: Collection rates for council tax and non-domestic rates in England, 2025-26: technical notes

On 24 June 2026, MHCLG published their annual release on the receipts of council tax and non-domestic rates collected during 2025-26 and the arrears outstanding at the end of the financial year. The release can be read here.

Our Tribunal Hearing Programme – July to September 2026

The profile and volume of hearing days for Quarter 2 are:

Tribunal Type	July	August	September	TOTAL
Council Tax	60	70	69	199
2017/2023 Rating List	16	7	6	29
2017 Rating List Complex Case	0	0	3	3
2017/2023 Rating List and Transitional Certificate	1	0	0	1
TOTAL	77	77	78	232

What is on the VTE Stayed Appeals List?

Appeals relating to Amazon "Generation 10" large distribution houses have been stayed pending the outcome of the Kegworth site appeal which was 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 Upper Tribunal has now released its judgment in the Bay Farm (CHG100858911) and Oak Grove (CHG100890093) Anaerobic Digestion Plant test case appeals. Similar appeals will continue to be stayed pending confirmation of whether an appeal to the Court of Appeal will be pursued.

Supreme Court Judgment

Network Rail Infrastructure Limited v Karl List (VO) UKSC [2026] 0028

Network Rail sought permission from the Supreme Court to appeal against the Court of Appeal's judgment that the digital advertising rights within its railway stations should be shown in the local rating list.

The Supreme Court refused to grant permission, as in its view, the appellant's application did not raise an arguable point of law.

Decisions of the Upper Tribunal

Tina Suzanne Davies (VO) and Puffin Produce Ltd and Puffin Farms Ltd [2026] UKUT 236 (LC)

This was an appeal made by the Valuation Officer (VO) against a VT Wales decision to treat three cold storage warehouses, used for the storage of potatoes, as exempt from rates as agricultural buildings, under paragraph 3 (a) of Schedule 5 to the Local Government Finance Act 1988 which in so far as relevant to the appeal(s) was:

> "A building is an agricultural building if it is not a dwelling and – (a) it is occupied together with agricultural land and is used solely in connection with agricultural operations on that or other agricultural land, […]"

The three buildings were constructed one at a time between 2014 and 2018 on the outskirts of Haverfordwest in Pembrokeshire.

There were two appeals before the Upper Tribunal (UT). The first sought an exemption with effect from 1 September 2018. The second sought an exemption with effect from 28 March 2022, following a corporate re-structure when part of the business was hived off to Puffins Farms Ltd. On both material days, it was accepted that "Puffin" occupied the agricultural land where potatoes were grown on rotation and it also occupied the cold storage warehouses. The issue in dispute was whether they were used together. In determining this issue, the UT had regard to the Lord Slynn's authoritative statement on what was meant by being used together in *Farmer (VO) v Buxted Poultry [1993] AC 369.*
Puffin was supplied with potatoes by 26 independent farmers. Following the harvesting of the

To be continued on Page 5

potato crop, Puffin would provide storing and packing facilities and purchase the potatoes to sell on to retailers. The arrangement between Puffin and the farmers was described as being similar to a farming co-operative which could obtain exemption under a different paragraph of Schedule 5.

However, it was the facts on the ground at both material days which proved fatal to the appellant's case for exemption.

On the first material day 1 September 2018 none of the buildings were used with any of Puffins' activities on any agricultural land. No potatoes or other produce stored had been grown on Puffin land. Even fast forwarding to 2022, with Puffin Farms now in occupation, the functional connection was insignificant. Approximately 2% of the potatoes stored had been grown and produced by Puffin Produce Ltd. Even if by this point, ownership of the potatoes had passed to Puffin Farms Ltd, the percentage was still insignificant.

The VO's appeals were therefore allowed as the cold storage warehouses did not qualify for exemption as agricultural buildings under paragraph 3 (a) of Schedule 5.

Decisions of the Upper Tribunal

Appeal of Lucy Formela-Osborne (VO) [2026] UKUT 200 (LC)

This was an unopposed appeal made by the Valuation Officer (VO) in respect of the Valuation Tribunal for England's (VTE) decision in relation to the Severn Trent Water Authority's Training Academy premises at Stoneleigh.

When Severn Trent's appeal came before the VTE, the VO argued that the appeal property should be valued on a rental basis in line with offices. On behalf of the ratepayer, it was argued that it should have been valued on the contractor's basis. The VTE panel agreed and upheld the ratepayer's representative's valuation. No competing valuation on a contractor's basis was put forward by the VO at the VTE.

By the time the matter reached the Upper Tribunal (UT), the VO accepted that the appeal property should be

To be continued on Page 6

valued on the contractor's basis. However, the VO took issue with the decapitalisation rate of 2.6% that had been applied in the ratepayer's valuation to arrive at an assessment of £113,000 RV which had been upheld by the VTE.

A decapitalisation rate of 2.6% would only have been correct to apply, if the appeal property was an educational hereditament, otherwise 4.4% should have been applied. The UT member Mr McCrea found that Severn Trent's Training Academy was not an educational hereditament as it was not akin to a University or a sixth form college. Therefore, it was not an educational hereditament for the purposes of the Non-Domestic Rating (Miscellaneous Provisions) (No. 2) Regulations 1989 where the prescribed decapitalisation rates can be found.

The VO's appeal was therefore allowed and the 2017 Rating List entry was increased to £191,000 RV with effect from 11 May 2021.

Decisions of the Upper Tribunal

Bay Farm Power Ltd and Oak Grove Renewable Energy Ltd and Bob Prescott (VO) [2026] UKUT 238 (LC)

The appellants appealed the former Valuation Tribunal for England (VTE) President's decision to the Upper Tribunal (UT). The appeals related to Anaerobic Digestion (AD) Plants.

The VTE's decision was to reduce the assessment of the Oak Grove site to £140,000 RV with effect from 1 April 2017. The Bay Farm appeal was dismissed with the assessment remaining at £285,000 RV with effect from 1 April 2017.

Both parties were in agreement that the receipts and expenditure method was the appropriate method of valuation to be employed in the subject cases. However, the parties differed in their valuation approach in deriving the tenant's share from the divisible balance. The Valuation Officer (VO) based his split of the divisible balance on the notional capital contributions of the landlord and tenant. The landlord's capital providing the rateable items and the tenant the non-rateable items. Once the percentage split of capital assets was found, the tenant's capital contribution was increased by 10% mainly to reflect risk.

The VO's approach had been applied and been widely accepted across the renewable energy sector as the valuation assessments of numerous hereditaments including windfarms, solar farms and nuclear power stations had been agreed or accepted following this approach. The VO therefore argued that a tone had been established for hereditaments in the

To be continued on Page 7

renewable energy sector. The UT rejected this argument as it was not a tone of the list reached in the conventional sense. Moreover, it did not accept the consistent application of a valuation technique could produce a tone of value or pattern of values.

The VO's valuation model also included a cap and a collar. These were designed to keep the rateable values within certain limits. The existence of a cap meant that the rateable value could not exceed 8% of the notional gross receipts of the business. Similarly, the rateable value could not be below the collar, which was 4% of the notional gross receipts. Because of the cap and collar, 75% of the hereditaments within the renewable energy sector had been settled in line with the cap or collar. This called into question the valuation model's reliability.

The VTE had endorsed the VO's valuation model but had increased the tenant's share by 15%. However, this did not result in a reduced Rateable Value assessment for Bay Farm because of the effect of the valuation cap.

The VO's valuation model did not allow for working capital which was one of the main reasons why the VTE increased the tenant's share by 15%, instead of 10% proposed by the VO.

At the UT proceedings, the VO put forward two valuations for each appeal site. His primary valuations followed the valuation model. His alternative valuations allowed for working capital.

For the ratepayers, Mr Penfold put two valuations forward for Oak Grove but both defaulted to the collar. His primary valuation approach was based on his return on capital method; his alternative approach was to add 20% to the tenant's share (15% for risk and 5% for profit). His primary valuation for Bay Farm was £165,000 RV. His alternative valuation produced an assessment of £194,000 RV. Both valuations appeared too low.

Both Mr Prescott (VO) in his alternative valuation and Mr Penfold for the ratepayers had adopted 9% as their rate of return on working capital, so the UT adopted the same rate.

In arriving at its decision, the UT held that the tenant's working capital should be reflected in the valuation(s), whichever valuation approach was undertaken. It therefore started from the premise that the VO's primary valuations needed adjustment to reflect working capital. This meant that the starting point for Bay Farm for the tenant's share was increased from 45% to 48.61% and for Oak Grove from 40% to 43.59% before a percentage uplift for risk was applied.

The VO defended his addition to the tenant's share of 10%. The UT decided that 10% was too low and Mr Penfold's addition of 20% used in his alternative approach was too high. It therefore decided that 15% was the appropriate uplift albeit for a different reason than the VTE (as the former President's uplift reflected working capital). This meant that the tenant's share was 55.9% for Bay Farm and 50.1% for Oak Grove.

The UT allowed both appeals and reduced the Oak Grove assessment to £129,000 RV and the Bay Farm assessment to £270,000 with effect from 1 April 2017.

Consolidated Practice Statement (CPS)

Please note: the CPS can be found on the VTS website under VTE guidance.

Decisions of the Upper Tribunal

Philip Jones Legal Limited and Andrew Mouland (VO) [2026] LC-2025-356

The appellant filed an appeal with the Upper Tribunal (UT) in respect of a Valuation Tribunal for England's (VTE) decision in relation to a transitional certificate appeal. As there was no reference to a right of appeal to the UT in Regulation 42 of the Valuation Tribunal for England (Council Tax and Rating Appeals) (Procedure) Regulations 2009, the Valuation Officer (VO) made an application for the appeal to be struck out.

The matter was considered by Judge Elizabeth Cooke who refused the application. In her judgment, the UT had jurisdiction to hear the appeal because Regulation 24 of the Non-Domestic (Chargeable Amounts) (England) Regulations 2022 makes provision for an appeal against a transitional certificate to the VTE and stated that Parts 2, 4 and 5 of the VTE Procedure Regulations 2009 apply to an appeal.

As the right of appeal against decisions made by the VTE falls within the Part 5, Judge Cooke was satisfied that the UT had jurisdiction to hear this appeal, despite the lack of any specific reference in Regulation 42. In any event, the UT had heard previous appeals in relation to VTE decisions on certified values, citing *The Dog & Gun (Oxenhope) Limited v Howarth (VO)* [2015] UKUT 475 (LC) and *Arma Hotels Ltd v Corkish (VO)* [2020] UKUT 103 (LC) and the VO did not challenge the UT's jurisdiction to hear those appeals.

Decisions of the High Court

Kakar and London Borough of Harrow [2026] EWHC 1227 (admin)

The appellant appealed the Valuation Tribunal for England's (VTE) decision to dismiss her appeal as it was made outside of the statutory time period.

In dismissing the appeal, the VTE found that the billing authority (BA) had made its final determination on 5 February 2024. The appellant filed her appeal on 28 October 2024, which meant it was well outside the statutory time period. In her late appeal application, the appellant failed to convince the VTE that the delay in filing her appeal had been caused by circumstances beyond her control as required by Regulation 21 (6) of the VTE's procedure regulations.

Before the High Court (HC), the appellant's representative explained that the appellant's dispute with the BA related to two issues. The student disregard for her son and a personal disregard for

To be continued on Page 9

herself was sought on the basis that she was a carer for her son. It was submitted that the BA's decision of 5 February 2024 only covered the student issue as further information was sought about the carer issue. The BA issued a revised determination on 27 August 2024 outlining when it considered the appellant's son qualified as a student and when the carer's discount should apply from.

The appellant's representative argued, that the two months' time period for when to make an appeal to the VTE, should run from 27 August 2024 and therefore the VTE should have accepted the appeal as it was only technically one day late. Even less as it was filed just after 5pm on 27 October 2024.

The Judge had some sympathy with the argument that the BA had not made its final decision on both issues until 27 August 2024, however, that was not the issue he had to decide. Whether the BA made its decision on 5 February 2024 or 27 August 2024 was academic because the appeal was still filed late. The issue he had to decide was whether or not there had been circumstances beyond the appellant's control that had caused the delay and prevented her from filing it in time. However, no good reasons or sufficient explanation was advanced to explain why it was not possible for the appellant to make the appeal on time. Therefore, the Judge was satisfied that the VTE had not erred in law in dismissing the appeal.

The appellant's representative also argued that if the appellant was denied her right of appeal, it would be in breach of her procedural rights under Article 1, Protocol 1 of the European Convention on Human Rights. The Judge, however, rejected this argument as he found that the two months statutory time period for appealing a BA's decision was generous and Regulation 21(6) provided a sufficient safeguard to protect an appellant's right to access justice, if they were unable to make an appeal within time due to circumstances that were beyond their control.

The VTE decision was therefore upheld and the appeal was dismissed.

Decisions of the High Court

Harnoczi and Hitchings (VO) [2026] EWHC 993 (admin)

The appellant sought to make a late statutory appeal against the Valuation Tribunal for England's (VTE) decision not to delete his property from the council tax valuation list.

Although the appeal property was in disrepair suffering from a leaking roof, damp issues, in need of re-plastering and one of the walls was crumbling, the VTE panel found it remained a hereditament that was capable of reasonable repair.

The VTE's decision was released to the parties on 19 September 2025 but the appellant did not file his appeal until 29 November 2025. The delay in filing the appeal well outside the statutory time limit was significant and after applying the three stage Denton test the Judge decided to refuse the appellant permission to appeal out of time and dismissed the appeal.

Nevertheless, the Judge did go on to consider the substantive merits of the appeal and found that the VTE had correctly applied the relevant law to the facts of the appellant's case and therefore it was right to dismiss the appeal. Had the Judge granted relief from sanctions and entertained the late appeal, he said he would have affirmed the VTE's decision.

Decisions of the High Court

Haley and VTE and Huntingdonshire District Council and Valuation Officer [2026] EWHC 1883 (admin)

This was a statutory appeal on a point of law against the former Valuation Tribunal for England (VTE) President's decision that two dwellings known as the Coach House and The Cottage within the curtilage of the appellant's property, Stibbington Hall, did not qualify for a 50% discount under the Council Tax (Reductions for Annexes) Regulations 2013.

The President determined that, as both the Coach House and the Cottage had been valued as hereditaments they did not qualify for the annexe related discount, because they did not meet the qualifying criteria under Regulation 3 of the Regulations.

Neither the billing authority (BA) nor the VTE participated in the High Court (HC) proceedings.

To be continued on Page 11

Prior to the HC proceedings, both the appellant's Counsel and the Valuation Officer's (VO) Counsel had agreed that the VTE decision was flawed and invited the Judge to allow the appeal and remit the appeal back to the VTE to be heard afresh by a different panel.

The appeal was allowed because the Judge agreed with both Counsel that the way that dwellings had historically been valued for council tax was not determinative with regard to whether it was a "single property" for the purposes of Regulation 3(2)(a) of the 2013 Regulations which was as follows:

> (1) The following conditions are prescribed for the purposes of these Regulations.
> (2) The dwelling—
> (a) forms part of a single property which includes at least one other dwelling; and
> (b) is being used by a resident of that other dwelling or, as the case may be, one of those other dwellings, as part of their sole or main residence; or
> (c) is the sole or main residence of a relative of the person who is liable to pay council tax in respect of that other dwelling or, as the case may be, one of those other dwellings.
> (3) For the purposes of paragraph (2)— (a) "single property" means a property which would apart from the Council Tax (Chargeable Dwellings) Order 1992 be one dwelling within the meaning of section 3 of the 1992 Act;

The judgment criticised the President for not looking at the appeal site and not deciding for himself whether the whole site now formed a single property. As the appellant owned the whole site, it was in the same rateable occupation, which the Judge said in effect brought Regulation 3(2)(a) into play.

The appeal was therefore allowed and remitted back to the VTE to be re-heard by a different panel.

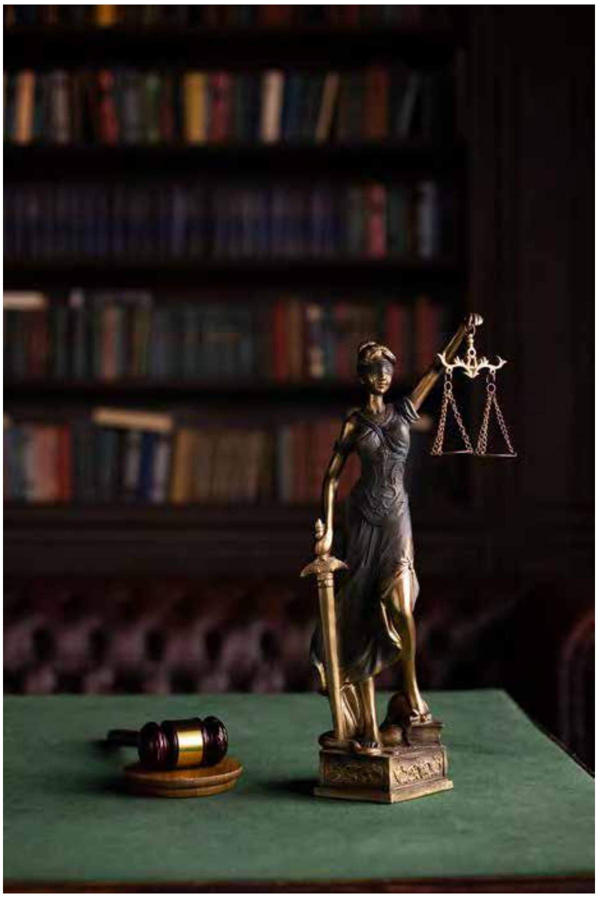
Decisions of the High Court

Berg and Wyre Forest Borough Council [2026] EWHC 1757 (admin)

The appellant made a statutory appeal against the Valuation Tribunal for England (VTE) Vice President's decision that he was the liable person for the council tax as the non-resident owner under section 6(2) (f) of the Local Government Finance Act 1992 with effect from 16 June 2024.

The appellant argued that the Vice President's decision was wrong in law as the appeal property was let to a tenant. Mr Berg's tenant had vacated the appeal dwelling, without giving notice or

To be continued on Page 12



returning the landlord's keys and had left some of his possessions in the property. Mr Berg therefore contended that his tenant was still occupying the property, even though he was not living there.

In this case, the appellant was unable to produce a copy of the original tenancy agreement to show it provided for a fixed period followed by a contractual periodic tenancy. Consequently, there was no evidence to show that his tenant retained a material interest to qualify as an owner and that this case was similar to that in *Leeds City Council and Broadley*. Given those circumstances, the appeal had no realistic prospect of success.

The appellant argued that as his tenant had not handed back the keys to the property, the VTE should have allowed the appeal, following the earlier High Court's judgment in *MacAttram and London Borough of Camden*. However, the Judge rejected that argument as it amounted to a misunderstanding by the appellant of what was decided in *MacAttram*.

There was therefore no error in law in the VTE's decision that the property was unoccupied, the tenancy continued on a periodic basis and therefore the only person with a material interest in the property was the appellant. The appeal was therefore dismissed.

Decisions of the VTE - Non-Domestic Rating List 2017

Amazon UK Services Ltd and Karen Giles (VO)

As this newsletter was going to print, the Vice President's decision had just been released to the parties.

The appeal property was a generation 10 large distribution warehouse located within the East Midlands Gateway development.

The main overarching issue between the parties was the weight to be attached to the actual rent. In the event, the Vice President found the rent to be completely unreliable as it did not result from a normal open market letting. Instead, it resulted from a business transaction between Amazon and a developer which was remote from the antecedent valuation date. Because of the way that the rent had been determined, it did not conform to the rating hypothesis and would require too much adjustment to bring into line with same.

Having determined the rent issue, in favour of Amazon, there were four other issues in dispute

To be continued on Page 13

between the parties. The first one was whether the appeal property with its integral concrete floors would attract a higher value, in comparison to a large distribution warehouse with tenant retrofitted resindek floors. As the Valuation Officer's (VO) expert was unable to support his proposed valuation with evidence that premises with concrete floors would attract a higher rent and therefore greater relativities should apply, the appellant's case also succeeded on this point. However, the VO's case was upheld in respect of the relativities that were applicable for the ground floor, that there should be an uplift for the presence of goods lifts and that the mezzanine/platform staging areas fell to be valued at a relativity of main space as opposed to rateable plant and machinery.

The appeal was therefore allowed and the entry reduced from £4,350,000 to £4,155,000 RV with effect from 5 August 2019.

Click here to read the full decision

Decisions of the VTE - Council Tax Liability

Disabled band reduction appeal

The appeal concerned whether the appellants (referred hereafter as 'JK' and 'AK' were entitled to a Disabled Band Reduction (DBR) in respect of their council tax liability in accordance with the Council Tax (Reductions for Disabilities) Regulations 1992.

There was no dispute between the parties that both appellants were qualifying individuals; each being "*substantially and permanently disabled*", nor was there any dispute that the application related specifically to JK's use of a second bedroom. The issue was whether the second bedroom met the statutory test of being "required for meeting the needs" of a disabled person and whether it was "additional".

The Respondent argued that the second bedroom was used primarily for rest and sleep and, as such, it was being used for its intended purpose as a bedroom. Since the legislation requires the room to be 'additional' and to be used predominantly for disability related needs, the Respondent maintained that the criteria were not met.

JK argued that he and his wife had significant health conditions and, because of this, they cannot

To be continued on Page 14

share a bedroom. After their son moved out in 2022, JK began using the second bedroom. He also kept therapy devices there, a therapy heat lamp, electro muscular stimulation devices and an exercise bike.

The Tribunal concluded that, when following the judgments in *Howell-Williams v Wirral Borough Council* [1981] 79 LGR 697 and South Gloucestershire Council v Titley and Clothier [2006] EWHC 3117 (Admin) the appeal must be dismissed. These cases establish that a person needs a living room or a bedroom whether they are disabled or not. In order to qualify for relief, the room must be essential or of major importance to the disabled person's well being, having regard to the extent of their disabilities. The room must therefore provide something "additional" rather than simply meet the requirements of normal every day living.

The appeal was therefore dismissed because the second bedroom was used predominantly as a bedroom, not as a therapy room. Furthermore, the therapy equipment kept there was portable and was capable of use in any *room within the subject dwelling*. Ultimately, the second bedroom was not 'additional' as required by the prevailing legislation and case law.

The full decision can be found here.

Decisions of the VTE - Council Tax Liability

No Evidence of Long-Term Empty Premium by Billing Authority

This case considered the validity of a long-term empty homes premium where the billing authority (BA) had failed to provide sufficient evidence of its formal determination to impose such a charge. The case also involved a request for discretionary relief under Section 13A (1) (c) of the Local Government Finance Act 1992.

In this instance, the Respondent BA did not submit any documentary evidence to the panel demonstrating that it had properly resolved to apply the long term empty homes premium. Instead, it relied solely on a link to a webpage outlining its policy on empty property premiums.

During the hearing, the BA's representative stated that a report had been presented to the Executive and the Councillors had agreed to increase the empty homes premium. However, no supporting documentation was produced to substantiate this claim. Furthermore, the panel was not provided with evidence of any public notice, which would ordinarily be required to demonstrate that the decision had been formally adopted and communicated.
The panel emphasised that it must be satisfied that the BA had made a lawful determination under

To be continued on Page 15

Section 11B of the Local Government Finance Act 1992 to impose the premium. In the absence of such evidence, the Tribunal concluded that it could not be established that a valid determination had been made.

Accordingly, the panel proceeded on the basis that no lawful decision to adopt the premium had been made and therefore found that the appellant was not liable to pay the long-term empty homes premium.

The appellant had also applied for discretionary relief under Section 13A (1) (c) of the 1992 Act. However, the panel determined that this request appeared to have been made primarily as an alternative means of avoiding liability for the premium, rather than on its own merits.
When considering the appellant's liability excluding the premium, the panel concluded that it would not be appropriate to grant discretionary relief. This was because the appellant was effectively in possession of a capital asset, which could potentially be sold at a future date.

The panel further noted that awarding discretionary relief in such circumstances would be unfair to other taxpayers. This is because any relief granted would ultimately be funded by the BA and therefore borne albeit indirectly by the wider body of taxpayers.

This case serves as an important reminder to BAs: where an appeal is received in relation to the long-term empty homes premium, it is essential that clear and robust documentary evidence is provided to demonstrate that the premium has been lawfully determined and implemented. Failure to do so may result in the premium being deemed unenforceable.

In conclusion, while the appeal succeeded in relation to the removal of the premium due to a lack of evidence of its lawful determination, the request for discretionary relief was refused on grounds of fairness and principle.

Click here to read the full decision.

Decisions of the VTE - Council Tax Liability

House in multiple occupancy

This was a council tax liability appeal which raised two noteworthy preliminary issues I: whether the tribunal had jurisdiction to determine the appeal under section 16 of the Local Government Finance Act 1992 and whether the appeal was barred by the doctrine of *res judicata* (issue estoppel).

The Respondent argued that the Tribunal lacked jurisdiction because the appellant's statutory notice of grievance did not comply with section 16, contending that it failed to identify the matter complained of and the grounds of grievance with sufficient precision.

The panel rejected that argument, holding that the notice clearly identified the dispute—that the property had been wrongly treated as a House in Multiple Occupation (HMO) rather than a single-family dwelling—and adequately explained why the appellant considered their council tax liability to be incorrect. The panel emphasised that the statutory notice requirement should be applied purposively and is intended to notify the billing authority (BA) of the nature of the dispute, not to impose overly onerous requirements on lay appellants.

The Respondent also contended that the appeal was barred by issue estoppel, relying on earlier Tribunal proceedings and a subsequent High Court decision involving the same property. It argued that the question of whether occupiers with separate tenancy agreements could be treated as joint tenants had already been conclusively determined.

The panel accepted the legal principles governing *res judicata* but found they did not apply on the facts of this case. The earlier proceedings concerned a materially different period of occupation involving four unrelated occupiers with separate tenancy arrangements. The appeal before the panel related to a later period during which the household composition had changed, new tenancy arrangements had been introduced, and it was alleged that the occupiers constituted a single-family household. The panel considered that these changes were capable of affecting the character of the occupation and therefore gave rise to fresh issues requiring determination.

To be continued on Page 17

The panel concluded that neither the jurisdictional objection nor the plea of issue estoppel prevented the appeal from being heard. The Respondent's application to strike out the appeal was therefore refused and the panel went on to consider the substantive issue on its merits. The appeal, however, was subsequently dismissed for reasons given in the decision.

The full decision can be found here.

Decisions of the VTE - Council Tax Liability

Class B exemption

This case concerns a council tax liability appeal regarding whether an unoccupied residential property qualified for a Class B exemption under the Council Tax (Exempt Dwellings) Order 1992. The property was owned by a charitable organisation and had been empty for a short period. The charity argued that it should be exempt from council tax because the property was previously used in furtherance of its charitable objectives.

The central issue was whether the property's last occupation met the legal requirement of being "in furtherance of the objects of the charity." While it was accepted that the organisation was a registered charity and that the property was unoccupied for less than six months, the dispute focused on how the property had been used immediately prior to becoming vacant.

The charity explained that the property had been rented out commercially during a period when it was not required for its primary purpose. The rental income generated was used to support the charity's overall mission, including funding activities aligned with its objectives. The organisation argued that this indirect contribution should qualify as furthering its charitable purposes.

However, the billing authority (BA) contended that simply generating income, even if ultimately used for charitable aims, does not meet the legal test. It argued that the last actual use of the property must directly fulfil the charity's objectives, not merely contribute financially to them. Supporting case law was cited to demonstrate that income-generating activities are distinct from charitable use, even when they benefit the organisation.

The panel examined relevant legislation and the authorities, noting a consistent distinction between direct charitable use and commercial activities that only indirectly support charitable work. It concluded that the property had most recently been let to private tenants on the open market, which constituted a commercial activity rather than a direct charitable use.

To be continued on Page 18

As a result, the panel determined that the property did not satisfy the requirements for a Class B exemption. The appeal was therefore dismissed.

The decision reinforces the principle that, for tax exemption purposes, a property's use must directly advance a charity's objectives at the time of its last occupation. Generating income to fund charitable activities, while beneficial, is not sufficient on its own to qualify for exemption.

Click here to read the full decision.

Decisions of the VTE - Council Tax Liability

Class G exception

This was an appeal against the Billing Authority's (BA) decision not to grant a Class G exception for an empty property which was being marketed for sale. The appellant argued that he was being charged 100% surcharge from 12 June 2023 due to the property being empty, however, the property had been marketed for sale for all of that time. He stated that he had been forced to move house due to his wife having dementia and the process of selling the subject property had been very expensive; he had to get a bridging loan which cost £1,500 per month, he had been forced to sell his car and was still indebted to family members for £50,000. The appellant had done everything within his power to sell the subject property, and this had been corroborated by the evidence he had provided. He believed it was not the intention of the law to penalise people who were genuinely trying to sell an empty property.

Furthermore, the appellant believed that the BA, in setting its premiums should have regard to the document issued by the Ministry of Housing, Communities & Local Government (MHCLG) entitled 'Guidance on the implementation of the council tax premiums on long-term empty homes, and second homes' published 1 November 2024. He referred, in particular, to 'Note 7' with regard to the Class G exception (properties marketed for sale) which stated, "At the end of the 12-month period, councils may wish to consider the specific circumstances of the owners and whether to use their discretionary powers to extend the exception".

The BA argued that this was simply guidance and did not compel the council to use its discretionary powers, in its opinion the Class G exception only applied to properties which had been marketed for sale for less than one year.

Having regard to the legislation surrounding the application of the Class G exception the panel found that in this appeal the legislation had been applied

To be continued on Page 19

correctly. However, the panel noted the situation the appellant found himself in and whilst the appellant had not mentioned discretionary relief on his appeal form or in his original grievance to the council on this occasion, it was aware that the appellant could make an application to the BA specifically for discretionary relief under section 13A of the Local Government Finance Act 1992. The BA would be obliged to consider such an application and if the appellant remained dissatisfied with the BA decision in respect of discretionary relief, he could make a new appeal to this Tribunal.

The full decision can be found here.

Decisions of the VTE - Council Tax Liability

Evidence of local determination relating to long term empty premiums

This appeal concerned a council tax premium imposed by Gravesham Borough Council on a Flat in Gravesend, under section 11B of the Local Government Finance Act 1992 for a long-term empty property. The appellant, LB, challenged the council's decision to charge a 100% premium for the period from 3 February 2024 to 2 January 2025.

The council's position was that the property had become vacant when tenants left on 3 February 2022. Following a one-month empty property discount, the dwelling was charged at the full council tax rate until February 2024, when the council considered it met the statutory criteria for a long-term empty homes premium. The appellant initially argued that the property was not unoccupied and unfurnished but was instead being used as a second home. There had also been discussion regarding statutory exceptions introduced in April 2025, although these matters were not central to the panel's final determination.

At the start of the hearing, the panel identified a significant procedural issue. The council had failed to provide evidence of the local determination made by its elected members authorising the imposition of a premium under section 11B. Such evidence would normally consist of council minutes or other documentation showing that the authority's elected members had made a determination to charge a premium, specifying both the level of the premium and any applicable local exceptions. The council requested an adjournment so that it could provide the missing evidence. The Tribunal considered this application by applying the principles established in *Denton v TH White Ltd*, which require consideration of the seriousness of the failure, the reasons for it, and all the circumstances of the case. The panel found the omission was serious because the council had been given several opportunities through directions and hearing preparations to

To be continued on Page 20

submit all evidence it intended to rely upon. It also rejected the explanation that the evidence had not been supplied because the presenting officer had not previously been asked for it in other hearings.

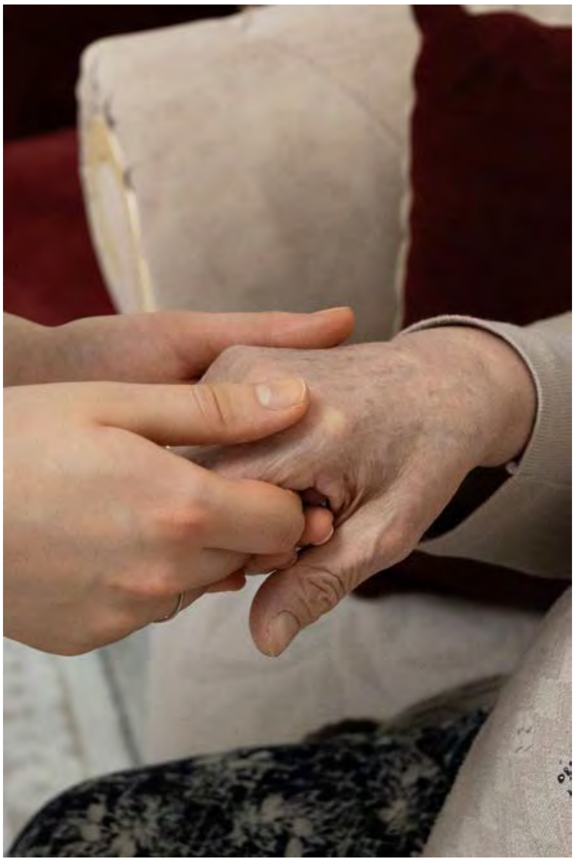
The panel concluded that the burden rested on the council to prove it had lawful authority to impose an increased council tax charge. Without evidence of the local determination, that burden had not been met. The panel also considered that admitting late evidence would prejudice the appellant, who was attending remotely from New Zealand and might have required additional time to review and respond. After the panel refused to admit the late evidence, the council conceded the appeal. The panel therefore ordered the council to recalculate the appellant’s council tax liability for the disputed period by removing the premium.

The full decision can be found here.

Decisions of the VTE - Council Tax Liability

Class E exemption

The issue raised in this appeal was whether the appeal dwelling qualified for a Class E council tax exemption after the appellant’s mother moved permanently into residential care on 12 July 2025. Epping Forest District Council had refused the exemption and continued to charge council tax, arguing that the property was jointly owned by the appellant and his mother and that only one of the owners met the exemption criteria.



The property had been jointly owned since 1981, but the appellant’s mother had occupied it as her sole or main residence for many years. Council records supported this position, showing that she had been treated as the sole resident and had received a single person discount since 1994. When she entered residential care, the dwelling became unoccupied.

The key issue was whether the existence of a non-qualifying joint owner prevented the application of Class E of the Council Tax (Exempt Dwellings) Order 1992. The council accepted that the mother had become a “relevant absentee” by moving into a care home but argued that the exemption could not apply because the appellant did not satisfy the same conditions.

The panel disagreed. It found that Class E focuses on whether a qualifying owner or tenant has vacated the property and become a relevant absentee. The legislation does not require every owner to meet the exemption criteria and contains no provision disapplying the exemption where another owner does not qualify.

To be continued on Page 21

The panel concluded that all statutory requirements were met because the dwelling was unoccupied, the mother had previously occupied it as her sole or main residence, she remained an owner, and she had moved into a qualifying care home where she continued to be a relevant absentee. As a result, the dwelling fell within Class E and was exempt from council tax from 12 July 2025.

This case confirms that a Class E exemption may apply to a jointly owned dwelling where only one owner satisfies the qualifying conditions. The correct approach is to determine first whether the property falls within an exempt class; questions of liability arise only if the dwelling is chargeable. The decision provides useful guidance on the interpretation of Class E exemptions involving jointly owned properties and care home admissions. The appeal was therefore allowed.

The full decision can be found here.

Decisions of the VTE - Council Tax Penalty Notice

Penalty notice

This appeal concerned a £70 council tax penalty imposed by Epping Forest District Council on the appellant, GZ, in relation to a review of his entitlement to a 25% single person discount.

The council had undertaken a review of council tax accounts receiving a sole occupancy discount after identifying information suggesting a possible change in entitlement. On 18 September 2025, it wrote to the appellant requesting that he complete and return a review form within 14 days. A reminder was sent on 2 October 2025. When no response was received, the council removed the discount with effect from 1 April 2025 and, on 31 October 2025, issued a £70 penalty notice. In his appeal, the appellant explained that he had been travelling for work and had not been at home to check his mail. He stated that he remained the sole occupier of the property and argued that the council could have contacted him by alternative means, such as email or telephone. He sought both reinstatement of the discount and cancellation of the penalty.

The panel first considered the scope of its jurisdiction. It found that it could not determine whether the sole occupancy discount should be reinstated because there was no evidence that the appellant had first submitted a formal written grievance to the council under section 16 of the Local Government Finance Act 1992. Accordingly, the panel's consideration was limited to the validity of the penalty notice. The council relied upon paragraph 1(2) of Schedule 3 to the Local Government Finance Act 1992, which allows a penalty to be imposed where a person fails to notify the authority of a relevant change in circumstances. However, the Tribunal noted that both the council's submissions and the penalty notice itself referred instead to the appellant's failure to return a discount review form or "failure to respond" to a request for information.

The panel found that the statutory provisions concerning requests for information relate to identifying the person liable for council tax, not to reviewing entitlement to a discount. The penalty notice did not clearly specify the legal basis for the penalty as a failure to notify a change in discount entitlement. Furthermore, there was no evidence that the appellant's eligibility for the discount had actually changed. The panel therefore concluded that the penalty had not been

To be continued on Page 22

correctly imposed. As a result, it was unnecessary to consider whether the appellant had a reasonable excuse for failing to respond. The appeal was allowed and the council was ordered to quash the £70 penalty notice within two weeks.

Read the full decision here.

Decisions of the VTE - Council Tax Valuation

Demolition intentions and removal from the council tax list

This case examines an application to remove a property from the council tax valuation list on the basis that it had been acquired with the intention of demolition.

The property in question was purchased in December 2022 and was described as being in a notably poor state of repair. In particular, the roof had suffered damage, with the slates having been stolen. Despite this, the panel found that the underlying structure of the roof remained intact. The felt and battens were still in place, meaning that the essential framework of the building had not been compromised. Although the replacement of roof slates would clearly be necessary, this was characterised as a routine repair rather than a fundamental structural issue.

The appellant's intention was to demolish the property entirely and redevelop the site. While this intention was not disputed, the panel emphasised a critical point of principle: future aspirations for a property cannot determine its current legal status for council tax purposes. In other words, liability is assessed based on what the property is, not what it might become. The panel therefore refused to attach any weight to the owner's redevelopment plans when considering whether the dwelling should remain on the valuation list.

The panel had regard to the correct legal test; could the property be made suitable for occupation

To be continued on Page 23

as a dwelling through a reasonable level of repair? The test does not depend on the owner's intentions or actions, but on the condition of the dwelling.

In reaching its decision, the panel acknowledged that the property required extensive work and accepted that the cost of carrying out such repairs could be substantial. Nonetheless, financial considerations were not determinative. The law does not require repairs to be inexpensive; rather, it requires them to be reasonable in nature. This means that even significant works may still fall within the scope of what is considered reasonable, if they do not fundamentally alter the structure of the property.

Ultimately, the Tribunal concluded that the property retained the essential characteristics of a dwelling and remained capable of being rendered suitable for occupation through a reasonable programme of repairs. The missing roof slates, while problematic, did not amount to structural failure, and the building as a whole had not deteriorated beyond the point of recovery.

For council tax purposes, therefore, the property continued to meet the criteria of a dwelling and could not be deleted from the valuation list. The appeal was accordingly dismissed.

The threshold for removing a property from the valuation list is a high one. Owners cannot rely on redevelopment intentions, nor on the current disrepair alone, unless the condition of the property is such that it is no longer capable of reasonable repair.

The full decision can be found here.

Decisions of the VTE - Council Tax Valuation

Deletion sought for low grade former garage accommodation assessed as a single hereditament

This appeal provides a useful illustration of how the statutory tests for a dwelling apply to modest and unconventional accommodation that is used only intermittently.

The subject property comprised three separate brick structures (garages) and a wooden washroom assessed together as a single hereditament, located on a steep and remote site within Dartmoor National Park. The buildings were of basic construction and lacked mains water and

To be continued on Page 24

modern services, although electricity was available. Despite these limitations, the property had been entered in the council tax valuation list at Band A since 1994.

Following his purchase of the property in April 2022, the appellant sought deletion of the entry, maintaining that the buildings were not used as a domestic dwelling and were used only for short periods each year for occasional stays and leisure purposes. Emphasis was placed on the property's remoteness, difficult access and limited facilities. The panel also considered the facts in this case alongside the facts in *Corkish (LO) and Carter and Others* [2017] EWHC 1181 (admin).

The Listing Officer's (LO) position was that the buildings, taken together, formed a single hereditament that was used for living accommodation and was therefore a dwelling for council tax purposes. It was submitted that neither the quality of the accommodation nor the frequency of occupation was determinative under the legislation.

The panel accepted that the property was not the appellant's sole or main residence and that access to it was challenging. However, the evidence showed that the appellant and his family stayed overnight at the property on an occasional basis. Photographs confirmed the presence of beds, sanitary facilities and domestic furnishings. The panel was satisfied that the hereditament was physically intact, capable of beneficial occupation and in fact used for sleeping and other ordinary domestic activities, albeit infrequently and seasonally.

Although described by the appellant as ancillary garages, their actual use was not subordinate to a principal residence and therefore did not fall within the statutory exclusions for garages or other appurtenant structures. The panel noted that difficult access, lack of mains services and low standards of accommodation were not, of themselves, decisive.

In considering case law, the panel distinguished it from *Carter and Others*, noting that the subject property consisted of brick built structures which were used for overnight accommodation. The panel also relied on *Lewis v Christchurch BC*, reaffirming that even modest or unconventional buildings may constitute dwellings where the statutory test of use for living accommodation is met.

Applying the legislation to the facts found, the panel concluded that the single hereditament was used wholly for the purposes of living accommodation and was correctly entered in the council tax valuation list. The appeal was therefore dismissed and the Band A assessment confirmed.

Read the full decision here.

Decisions of the VTE - Council Tax Valuation

Deletion of a property from council tax list and relevant date of deletion due to fire damage

This case examines an application to remove a property from the council tax valuation list from the date of a fire, rather than from the later date on which a major scheme of renovation works commenced.

Initially, the Listing Officer (LO) removed the property from the valuation list with effect from 4 August 2025, being the date on which the substantial programme of renovation works began. The appellant, however, argued that the correct effective date for deletion should be 18 October 2024, the date of the fire itself.

The central issue for the panel to determine was therefore: at what point did the dwelling cease to exist for council tax purposes?

The appellant contended that the property should be removed from the list from the date of the fire, citing extensive smoke and water damage. They further emphasised that the severity of the damage rendered the property uninhabitable, forcing the tenants to vacate immediately and be rehoused in alternative accommodation.

The appellant also explained that there was an unavoidable delay in commencing the repair works. This delay arose due to insurance-related processes, including the appointment of a loss adjuster, the preparation of a comprehensive schedule of works, and the engagement of appropriate contractors.

Despite these circumstances, the LO maintained that the property should only be deleted from the council tax valuation list from 4 August 2025, being the date on which the physical works formally commenced.

Upon consideration of the evidence, the panel allowed the appeal. It concluded that the property had ceased to be a dwelling from the date of the fire, as it was incapable of occupation from that point onwards. The panel placed weight on the fact that the tenants were required to vacate the premises immediately following the incident.

Accordingly, the property was removed from the council tax valuation list with effect from 18 October 2024.

Read the full decision here.

Decisions of the VTE - Council Tax Valuation

Increase from Band E to Band G in dispute

This appeal concerned the council tax banding of a detached residential property in Wroughton. The appeal arose after the Listing Officer (LO) increased the property's council tax assessment from Band E to Band G with effect from 4 December 2024. The increase followed a review undertaken after another property in the area was assessed, leading the LO to conclude that the subject property was substantially larger than previously recorded.

The appellant, who had owned the property since 2015, challenged the increase. He argued that there had been no significant physical changes to the dwelling that would justify a higher band. In particular, he maintained that the property's footprint had not been extended, the living accommodation had not materially increased, and that the decision had been made without consultation or adequate explanation. He also relied on the council tax banding of nearby properties, many of which remained in Band E.

Prior to the hearing, it emerged that the LO's original assessment contained an error. The reduced covered area (RCA) had initially been recorded as 275m², but this was later corrected to 240m² after it was acknowledged that plans relied upon included a bedroom that had never been built. The LO nevertheless maintained that the revised size supported a Band G assessment.

The panel considered whether the property's value, as at the statutory valuation date of 1 April 1991, would have exceeded the threshold for Band G. It also considered whether there had been a qualifying material increase in the dwelling's value, taking account of the property's physical state at the relevant date, being the appellant's purchase in April 2015.

The appellant explained the property's history, describing it as an eighteenth-century stone cottage that had been extended in the nineteenth century and was unusual in character compared with surrounding housing. He argued that the conservatory and outrigger relied upon by the LO had existed long before 1991 and that subsequent works were limited to internal modernisation. Evidence from a previous owner confirmed that no extensions had been added, the footprint had not increased, and no structural works requiring planning permission had been undertaken.

The LO relied on a number of Band G properties said to be comparable in size. However, the appellant challenged their reliability, arguing that they differed significantly in age, character, setting and location. The panel upheld many of these arguments and found

To be continued on Page 27

that most of the LO's comparables were not sufficiently similar to provide reliable evidence of value.

The panel also reviewed comparable properties submitted by the appellant. While these were geographically closer and arguably more similar in character, they were generally smaller and therefore of limited assistance in determining the correct band.

Having found weaknesses in the valuation evidence presented by both parties, the Tribunal attached greatest weight to the subject property's own sale price in 1993 of £88,000. This transaction occurred close to the 1991 valuation date and provided direct evidence of the property's market value. The Tribunal concluded that, although internal modernisation may have enhanced the property's value, there was no persuasive evidence that any increase would have raised its 1991 value beyond the Band E upper limit of £120,000.

Accordingly, the panel found that the LO had failed to demonstrate that the property should be placed in Band G and accepted the appellant's case. The evidence did not support the conclusion that the dwelling's 1991 value exceeded the threshold for Band E.

The full decision can be read here.

And in other news...

The Valuation Officer has withdrawn her appeal to the Upper Tribunal, in respect of the VTE's decision in *The Trustees of the Natural History Museum and Nicola Johnson (VO)* [2026] CHG101120169.

We welcome any feedback.

Editorial team:
David Slater
Amy Kandola
Claire Cooper
Charlotte Stafford

Contact us:
033 445 8100

Valuation in Practice is published quarterly: the next issue will be in November 2026