

**LANARKSHIRE  
APPEAL PANEL**

**VALUATION**

**STATEMENT OF REASONS RELATIVE  
TO APPEAL**

by

**BELHAVEN BREWERY COMPANY  
LIMITED**

in respect of

**PUBLIC HOUSE, THE WEE DRAM,  
177 LOW WATERS ROAD,  
HAMILTON**

This is an appeal arising out of the year 2005 Revaluation.

There was agreement that the preferred method of valuing these subjects, had the requisite evidence been available, would have been a valuation by the application of percentages of properly evidenced turnover of the appeal subjects as at the tone date of 1<sup>st</sup> April 2003. The Committee appreciated that both the Assessor and the agent for the Appellants had been faced with difficulties in carrying out a valuation of the appeal subjects given the absence of properly certificated turnover figures as at that date.

The agent for the Appellants had valued the subjects on a turnover basis estimating the turnover as at 1<sup>st</sup> April, 2003 by using the turnover figures contained in the accounts from 3<sup>rd</sup> April 2003 to 31<sup>st</sup> March, 2004. This produced a proposed value contended for of £16,600. The Assessor had valued the subjects on the comparative method using values arrived at for comparison public houses and was defending a proposed figure of net annual value £22,500.

The Committee considered the passage from the judgement of Lord Salvesen in the case of Haggart –v- Assessor for Leith – 1912 S.C.784 at 787. This is the passage reproduced in Armour on Valuation for Rating, Fifth Edition, at para 20-28. The Committee took note of the passage in its entirety but particularly noted the last sentence:- “The Assessor here was of opinion, and the Valuation Committee have agreed with him, that when he has reliable information as to the drawings of a particular shop, those drawings afford the very best basis upon which to estimate the rental which one year with another a tenant would pay for the

premises.”. The difficulty here was the absence of reliable information as to drawings of the appeal subjects at the tone date.

The only evidence of turnover available was contained within a profit and loss account for the period 17 February 2000 to 28 February 2001 and in the similar account for the period 3 April 2003 to 31 March 2004. The agent for the Appellants had used the turnover figures for the latter period as these were higher and he believed gave a fairer figure. While the value suggested by the Appellants was based on turnover, the Appellants’ agent sought to support it in two ways, by reference to the rent passing for the appeal subjects and by analysing and comparing information for the appeal subjects and the Assessor’s comparisons in relation to the values settled at the year 2000 revaluation and those settled and proposed for the year 2005 revaluation.

The Committee did not accept that there was sufficient and appropriate turnover evidence to form a sound basis for a valuation based on turnover. The drawings used were after the tone date and were not relevant as a basis for such a valuation. The use of the drawings to 28 February 2001 would have been unsatisfactory as being too far removed from the tone date.

The Committee did not find the rental evidence of assistance. The net rental figures were after deduction of a barrellage allowance and the source of and therefore the reliability of the evidence as to these allowances was in doubt. While the appellants’ agent was correct in saying that it had not been subjected to a direct challenge in cross examination, the Committee was still entitled to decide how much weight to attach to it.

The Committee rejected completely any suggestion that the figures agreed at the year 2000 revaluation were relevant to the valuation of the appeal subjects in the year 2005 revaluation. The Committee referred to *Armour on Valuation for Rating (Fifth Edition)* at para 2-06:- “The process of revaluation involves a completely fresh start, ideally a completely fresh survey of all the lands and heritages in the area and a new assessment of valuation. A complete re-survey is not practicable or necessary, since most of the critical information on size and character of the various subjects will remain unchanged and the Assessor will probably have been able to discover from returns by the ratepayers or grants of building warrant what changes in properties have been made. So far as is practicable, however, he will visually survey all subjects and will measure anything of which he has no sufficient record. In the preparation of his valuation he is in no way bound or fettered by the levels, methods or schemes of valuation which he used for the previous roll. He may follow similar systems of classification or he may introduce entirely new ones. Thus comparison

with what has gone before is not a relevant ground of appeal nor is the complaint, so often heard from ratepayers, which is levelled at the extent to which a valuation has "increased."

In these circumstances the Assessor was correct to adopt his proposed method of valuation. He had considered the settled values of appropriate comparison properties. Both the Auld Hoose and the Barleycorn were to the knowledge of the Committee in very comparable locations to the appeal subjects, catering for similar local trade unlike several of the other comparisons which were more town centre pubs. The Auld Hoose was a particularly good comparison, being particularly close to the appeal subjects in terms of location and closer in size than the Barleycorn. Allowing for the fact that the Auld Hoose was larger than the appeal subjects and that the rate per square metre as a general rule increases as the area of a public house decreases, the chosen figure of £1800 per square metre appeared entirely reasonable. The Assessor has explained satisfactorily how he had arrived at his proposed value rate per square metre of £1,800 and his estimated adjusted turnover figure of £259,704 by using his comparison evidence. The agent for the appellants accepted that the Assessor's approach was logical, but felt that it produced an unfair result. The Committee did not accept that the result was unfair. The Committee accepted his approach in full, in preference to that of the Appellants and accordingly approved the Assessor's figure of £17,800 and dismissed the appeal.