

LANARKSHIRE VALUATION APPEAL PANEL

STATEMENT OF REASONS
RELATIVE TO APPEAL

by

ALLOY FINISHING LIMITED

in respect of

Workshop, Unit 1, 260 Main Street, Coatbridge

The appeal, which was presented by Mr Walker, proceeded under S3 (2A) of the Local Government (Scotland) Act 1975 on the basis that Alloy Finishings Limited had become tenants of the workshop on 1st October 2009. As such, they had the same rights of appeal as would have existed at the 2005 revaluation except that if the appeal were successful, it could be effective only from the date on which Alloy Finishing Limited became tenants.

In this regard, the Committee were also alert to the fact that in so far as the appeal proceeded under Section 3(2A), the burden of proof was as set out in paras 5-25 and 5-26 of Armour on Valuation for Rating (5th Edition). Where a reasonable challenge to an Assessor's valuation has been made, the Assessor requires to explain his approach to the valuation.

The function of the Committee was to ensure that the valuation was correct having regard to the relevant facts and valuation law. If the valuation was correct in law, then the Committee had no discretion to alter it.

In applying the law, the Committee required to bear in mind the definition of net annual value contained in Section 6(8) of the Valuation and Rating (Scotland) Act 1956 to the effect the net annual value was "the rent at which the lands and heritages might reasonably be expected to be let from year to year if no grassum or consideration other than the rent were payable in respect of the lease and if the tenant undertook to pay all rates and to bear the cost of the repairs and insurance and the other expenses if any, necessary to maintain the lands and heritages in a state to command that rent".

The value sought by the Appellants was an arbitrary figure of £11,500.

The Committee looked at the Assessor's explanation of how the valuation was made up to see whether or not they were satisfied with it. The Assessor had carried out an analysis of rental evidence for all of the units as at the tone date for the 2005 revaluation, 1st April 2003. This was set out in the Assessor's production 5. This showed rent rates which varied from £40 -£56 per square metre. The rate adopted by the Assessor was £37.50 per square metre. The net annual

value for the appeal subjects had been set at £13,500 which compared with the rent for this as at the same date of £14,400. The Assessor therefore took the view that the rental evidence supported the Assessor's valuation. The Committee agreed with this. The Assessor's production 8 showed how his valuation had been arrived at. His calculation was based on a rate of £37.50 per square metre. Various factors had been taken into account to arrive at the adjusted rates. These included the basic condition of the workshop and staff area, the lower than normal roof height, the absence of heating and the age of the unit, which had been built in 1985.

The Assessor also referred to his production 7 which was a map showing industrial rates within the Coatbridge area. This showed that the rate of £37.50 had been adopted for other sites of a similar size.

The Appellants had drawn to the Committee's attention that they had downsized from other premises at 1 Petersburn Road, Airdrie. These had comprised 7,500 square feet compared with 4,500 square feet, with better facilities but the rateable value of the appeal subjects was 40% higher. They had also assumed they were entitled to a 25% discount but had not yet received this. There was also an issue with regard to the condition of the pavement and with regard to parking at the locus on certain days of the week. The Assessor in his evidence explained that the appellants' previous premises were some 19 years older, having been built in 1966. This meant that they attracted a larger allowance. The basic rate per square metre had been £32.50, and the adjusted rate £17.45, which compared with £27.70 for the appeal subjects. The difference was largely because of the lower basic rate and the older age of the other premises. In any event, the comparison was not an appropriate one. The reasons for the difference were clear, and the Assessor had used closer and better comparisons. Any issues in relation to parking and the pavement would affect the other units too and would be reflected in the rents. The Committee preferred the Assessor's evidence in relation to these matters.

The issue of whether or not the appellant was entitled to a 25% discount in rates from the local authority was not one for the Committee to determine.

The appellants had also raised as an issue that they were unable to use the common toilets which were being refurbished though Mr Walker conceded that they had the right to use these under the lease.

Having given careful consideration to all of the evidence and submissions, the Committee concluded that the Assessor had valued the appeal subjects correctly and had adequately explained how he had arrived at the reduced valuation and the Committee refused the appeal.