

Case Name: *Wigan Football Company Limited v R Roberts (VO)* [2018] Appeal Nos. 425026586278/134N10 and 425026586925/134N10 (24 July 2018)

Topic: Material change of circumstances

Full case: [click here](#)

Summary: The change in attendance numbers consequent on the relegation of a football club is not a “material change of circumstances” within the meaning of Schedule 6 to the 1988 Act and, therefore, does not justify a reduction in rateable value.

Commentary: This Valuation Tribunal for England (VTE) case considered whether relegation from the Premier League to the Championship and subsequently to League One fell within the meaning of “material change of circumstances” under paragraph 2(7) of Schedule 6 to the Local Government Finance Act 1988. The appellant was unsuccessful at the VTE as the tribunal was not persuaded that relegation either (a) changed the mode or category of occupation of the stadium or (b) was a change affecting the physical enjoyment of the premises or physically manifest in the locality.

The tribunal was not sympathetic to the appellant’s argument that relegation effected a change in the mode or category of occupation of the stadium. It found that there was an alternative occupier (Wigan Warriors Rugby Club), which the parties had previously agreed should be ignored for the purposes of the hearing but the VTE did not accept that approach. Given that in its view there was more than one hypothetical tenant, the tribunal decided that to ignore the Rugby Club would breach the principle of reality (the valuation must be carried out *rebus sic stantibus*) and was not persuaded that the mode or category of occupation had changed by reason of the relegations.

The VTE was equally dismissive of the argument that relegation was a change affecting the physical enjoyment of the premises or physically manifest in the locality. The VTE noted that the hereditament itself was unchanged following the relegations and did not accept that a decrease in attendance levels inside the stadium as a result of the relegations was a relevant matter in determining rateable value. The tribunal considered that loss of revenue was an economic factor which can only be taken into account at the next revaluation (on 1 April 2021, by reference to economic circumstances at 1 April 2019). So far as external changes are concerned, the tribunal was of the view that the change in visitor numbers in the locality (an agreed fact) may be masked by other factors, such as other events taking place in the town or, indeed, the weather. In short, the VTE decided there was no causative link between relegation and the reduction in attendance numbers.

The rateable value remained at £1,100,000 and the decision was not appealed.