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HM Courts & Tribunals Service

Residential Property TRIBUNAL SERVICE

Case reference: LON/00BK/LSC/2012/0378 and LON/BK/LDC/2012/0114

DECISION OF THE LONDON LEASEHOLD VALUATION TRIBUNAL ON APPLICATIONS UNDER SECTIONS 27A AND 20ZA OF THE LANDLORD AND TENANT ACT 1985

Premises:	**Flat 13, Greencoat Mansions, Greencoat Row, London SW1P 1PG**
Applicant:	Giampietro Lea
Respondents:	The Governors of the Peabody Trust
Date heard:	29 and 30 October 2012
Appearances:	The applicant in person Simon Allison, counsel, instructed by the landlord's legal department, for the respondent
Tribunal:	Margaret Wilson Philip Tobin FRICS Owen Miller BSc
Date of decision:	7th November 2012

Introduction

1. Giampietro Lea ("the tenant") has applied under section 27A of the Landlord and Tenant Act 1985 ("the Act") for a determination of his liability to pay service charges to The Governors of the Peabody Trust ("the landlord") in respect of major works carried out in 2009/2010 to Greencoat Mansions, Greencoat Row, London SW1, a block of flats in which the tenant holds a long lease of Flat 13. One of his arguments is that the landlord did not comply with the statutory consultation requirements in relation to the works, which, as applied to the present case, are to be found in Schedule 3 to the Service Charges (Consultation Requirements) (England) Regulations 2003 ("the Consultation Regulations"). The landlord concedes that in one respect it did not comply with the Consultation Regulations and has applied under section 20ZA of the Act for dispensation from full compliance. It is agreed that both applications should be considered at the present hearing.

Background

2. Greencoat Mansions is a four storey mansion block in Westminster containing 28 flats arranged in three stacks, built in 1892. Five of the flats are held on long leases, one is used by the landlord for office purposes and the remainder are let by the landlord on periodic tenancies.

3. The tenant's lease is dated 12 March 2008 and is for a term of 125 years from 1 January 2008. The lease gives a "building service charge percentage" payable by the tenant of 3.85% and an "estate service charge percentage" also of 3.85%. The building is defined as "the section of the building on the estate comprising Flats 1 - 28 (inclusive)". By clause 3(A) of the lease the tenant covenants to pay in advance one twelfth of the estimated service charge for the year and, on receipt of a notice summarising the accounts and showing the difference between the estimated and actual service charge, the balance. Clause 4, which sets out the landlord's obligations, includes, at (C) that the landlord must "carry out all improvements to the building and the

estate which the landlord shall in its absolute discretion consider appropriate or necessary". Clause 5(A) provides that in the interests of good estate management the landlord may change the service charge percentage payable by the tenant. Schedule 2 lists the building services, which include, at 6, "carrying out such other repairs maintenance and management and providing such other services for the benefit of the building or the building common parts as the landlord shall reasonably deem appropriate in the interest of good estate management". Schedule 3, which lists the estate services, contains a similar provision and also provides, at paragraph 1(3), that "where the landlord undertakes major or structural works such works may include the replacement renewal or restoration of windows of the flat or other flats and such doors as give access to the flat and other flats".

4. In 2006 the landlord entered into three qualifying long term agreements ("QLTAs") within the meaning of the Consultation Regulations in order to carry out a programme of repairs and maintenance across 181 estates which it owns. The contractor appointed under the QLTA to carry out repairs and maintenance to Greencoat Mansions was Wates Ltd. The works were qualifying works carried out under a QLTA and the landlord was thus required by the Consultation Regulations to consult the leaseholders in respect of them in accordance with Schedule 3 to those regulations. That Schedule requires notice of intention to be given in accordance with paragraphs 1 and 2, requires the landlord to have regard to observations made by leaseholders within the relevant period in accordance with paragraph 3, and, by paragraph 4, *where the landlord receives observations to which (in accordance with paragraph 3) he is required to have regard, he shall, within 21 days of their receipt, by notice in writing to the person by whom the observations were made, state his response to the observations."*

5. Initial surveys were carried out by the landlord, who then worked with the contractor on the detailed works which were considered to be necessary. Copies of the initial survey and recommendations are at tab G, pages 103 - 105 of the landlord's bundle. On 15 April 2009 notice of intention was given to the leaseholders, including the tenant, pursuant to paragraph 1 of Schedule 3

to the Consultation Regulations. The notice described the works as "cyclical maintenance programme/estate works" and provided that the works "will include: external brickwork repairs, roof, tanks and chimney works, decoration of external and internal communal areas, repair of windows where applicable". The reasons given for the proposed works were "to maintain the fenestration and overall aesthetics of the building and to prevent water and wind penetration". The notice indicated that the tenant's estimated contribution to the cost of the works would be £10,638.90 plus a management fee of 12.5%, a total of £11,795.31. The notice said that the tenants could view the works proposals at the landlord's head office between 17.00 and 19.00 on 4 May and invited written observations by 15 May 2009.

6. By a letter dated 23 April 2009 (tenant's bundle, document 2) Alan Young, the landlord's Senior Leasehold Officer, said that the meeting to examine the documentation for the proposed works fell on a Bank Holiday, when the landlord's office would be closed, and that the date of the meeting would therefore be changed to 13 May between 17.00 and 19.00, and that because the meeting would fall only two days before the end of the period for submitting observations, an extra week, ending on 22 May 2009, would now be allowed for the submission of observations.

7. The tenant, who is a civil engineer by profession, attended the meeting on 13 May 2009 and asked questions. He also asked for a further breakdown of the costs which was sent to him by email on the day after the meeting.

8. Following the meeting the landlord decided to omit window overhauls, draught excluders and the decoration of the windows and door frames (see and email from Mr Ellis to Mr Young dated 14 May 2009, document 44 of the tenant's bundle, and an email from Mr Young to the tenant of the same date, document 8 of the tenant's bundle.

9. In response to the notice of intention the tenant sent a letter dated 21 May 2009 (tenant's bundle, document 9) containing lengthy and detailed observations, addressed to Alan Young. The copy of the letter which was

produced to us is endorsed "received by Alan Young (senior leasehold officer) on 22/5/9". The landlord does not dispute that it received the observations on that date but says that Mr Young appears to have misplaced them, and agrees that neither Mr Young nor anyone else responded to the tenant's observations within the 21 days allowed by the Consultation Regulations. The landlord says that Mr Young responded to the tenant's by a letter dated 2 October 2009 (landlord's bundle B, section F, pages 98 - 100), although the tenant says that he did not receive it. The letter said that it had been written after discussions with the landlord's project manager and said that the landlord had made amendments to the scope of the works in the light of the tenant's observations as a result of which the tenant's estimated contribution was reduced to £11,477.66.

10. A condition survey of the block, based on a visual inspection, was undertaken in June 2009 (landlord's bundle B/G/150 - 159). The works to the block began in November 2009 and were completed in May 2010. After the contractor started the work it was found that the block was in worse condition and more works was required than had been anticipated. When the roof was removed it was found that the concrete deck required remedial repairs and the parapets and brickwork were in poor condition. The water tanks were found to require renewal rather than repair. The timbers of the roof coverings over the stairwells were found to be rotten and requiring replacement. The landlord accordingly authorised the carrying out of a number of additional works. The additional works were costed by reference to the schedule of rates under the QLTA. No further statutory consultation with the tenant or other leaseholders was carried out.

11. By a letter dated 15 October 2010 the tenant was sent a notice pursuant to section 20B(2) of the Act (landlord's bundle B/F/102) which said that the landlord had currently incurred costs of £382,113 in connection with the contract.

12. Enclosed with a letter dated 30 January 2012 the tenant was sent a "final service charge statement" in relation to the works which showed block costs

amounting to £432,575.02 and a contribution due from the tenant of £16,654.14. The dispute relates to his liability to pay that sum.

13. At the hearing on 29 and 30 October 2012 the tenant appeared in person and the landlord was represented by Simon Allison, counsel, instructed by the landlord's legal department. He tendered for cross-examination Phil Hamlet, the landlord's Leasehold Compliance and Revenues Officer, and Richard Ellis, its Group Surveyor, both of whom had provided witness statements, but the tenant elected not to cross-examine them. At the request of the parties we inspected the block in the morning of 30 October in the presence of the tenant and of Mr Allison.

The statutory framework

14. Section 27A of the Act provides that an application may be made to the tribunal to determine whether a service charge is payable and, if it is, the amount which is payable. A "service charge" is defined by section 18(1) of the Act as *"an amount payable by the tenant of a dwelling as part of or in addition to the rent (a) which is payable, directly or indirectly, for services, repairs, maintenance, improvements or insurance or the landlord's costs of management, and, (b) the whole or part of which varies or may vary according to the relevant costs*". Relevant costs are defined by section 18(2) and (3). By section 19(1), *"Relevant costs shall be taken into account in determining the amount of a service charge payable for a period (a) only to the extent that they are reasonably incurred, and (b) where they are incurred on the provision of services or the carrying out of works, only if the services or works are of a reasonable standard, and the amount payable shall be limited accordingly".* By section 19(2), *"Where a service charge is payable before the relevant costs are incurred, no greater amount than is reasonable is so payable, and after the relevant costs have been incurred, any necessary adjustment shall be made by repayment, reduction of subsequent charges or otherwise".*

15. Section 20ZA(1) of the Act provides that *where an application is made to a leasehold valuation tribunal for a determination to dispense withal or any of the consultation requirements in relation to any qualifying works or qualifying long term agreement, the tribunal may make the determination if satisfied that it is reasonable to dispense with the requirements.*

The issues

16. The tenant's case was that the landlord had failed to comply with the Consultation Regulations, not only in the respect in which it had admitted but also in other respects; that it would not be reasonable to dispense with the requirements; and that the works were in any event unreasonable in standard and cost. He also said that the percentage of the costs which his lease required him to pay, namely 3.85%, was unfair and inaccurate because it was based on the assumption that there were 26 flats in the block when in fact there were 28, although he accepted that that might have to be the subject of a separate application to vary his lease.

17. The landlord's case was that the only respect in which it had failed to comply with the Consultation Regulations was that it failed by an oversight to reply to the tenant's observations within the required time, which was a minor technical breach of the requirements which had caused no prejudice to the tenant and that dispensation from the consultation requirements should therefore, on established principles, be granted. In relation to the cost and standard of the works its submission was that these were in general reasonable but it made a number of concessions at the hearing, in particular as to the standard of the re-pointing and repairs of the external brickwork. Issues relating to the cost and standard of the works are addressed in a Scott Schedule which is attached to this decision.

Consultation and dispensation

18. The tenant submitted that it was clear from the documents that the scope of the works and the contract sum were agreed between the landlord and the contractor when the consultation process had barely begun. He said that the truth of that submission was clear from contract instruction number 2 dated 12 October 2009 (document 42/7 in the tenant's bundle) which included "the scope of works have been agreed as those detailed with Wates pricing document dated 27 April 2009", and that by 27 April 2009 the costs which the landlord proposed to charge to the leaseholders had already been decided, as was shown by the document headed "leaseholder split provision" (document 42/5 in the tenant's bundle) which showed the exact contract price which the landlord had agreed with the contractor. He submitted that the way the whole consultation process was conducted showed that, from the start, the landlord did not genuinely intend to consult with the leaseholders and merely went through the motions of consultation as a box-ticking exercise.

19. The tenant said that he had not received Mr Young's letter dated 2 October 2012 (paragraph 9 above) and that he had received no reply to his observations until March 2012 when it was sent by the landlord to his solicitors. He said that he would have expected a reply by email because email was the preferred form of communication between the landlord and the leaseholders. He said that Mr Young had "repeatedly promised" to provide the leaseholders with a summary of all the observations which the landlord had received but had never done so. He said that the fact that the leaseholders' observations were disregarded was demonstrated by the fact that items which should have been charged to leaseholders, such as the periodic overhaul and painting of periodic tenants' windows, were added to the final bill.

20. He said that the landlord's conduct in relation to the consultation was typical of its attitude towards leaseholders and tenants, for whom it showed scant regard. He said that it had never replied to his observations about other works relating to the digital television switch-over, nor had it replied to his

request for consent to alterations to his flat, that its disregard for its leaseholders and tenants was a constant issue causing wide concern, and that the Audit Commission had in 2004 criticised the landlord for its failure to engage with residents. He said that other leaseholders had wished to challenge the present service charges but had in the end preferred to sell their flats and move away.

21. He submitted that the consultation process would have been flawed even if the works had not been agreed in advance with the contractor because inspection of the works was permitted only nine days before the end of the consultation process so that leaseholders were forced to rush their observations. He said the meeting on 13 May 2009 was not helpful because no documents were made available and the specifications were not available. He had asked to see detailed specifications and estimates and was told that they would be sent to him the following day. On the following day two costs breakdowns (tenant's bundle, document 8) were sent to him, and to two other leaseholders who had asked for them, but they were not the ones which the landlord's representatives had used at the meeting. He agreed that the landlord had made concessions about the scope of the works as a result of what was said at the meeting but said that they were superficial.

22. He said that the landlord should have consulted the leaseholders again before it decided to execute works different from those it had initially consulted upon, namely the new roof covering, the replacement of the water tanks, and the stripping and re-plastering of the staircases. He said that these extra works were improvements which were not forced on the landlord by any emergency and that the initial survey had not revealed the need to carry them out. He said that the new water tanks were not installed for two months after the decision to renew them was taken which would have provided sufficient time for consultation.

23. He said that the size of the leaseholders' contributions was such that the landlord should have been extremely receptive to leaseholders' observations aimed at reducing costs, and that failure to be so would "automatically and

invariably" cause prejudice by way of financial harm to leaseholders. He said that is own professional experience was such that his input could have led to significant cost savings, and that he was prejudiced because he was not allowed to influence the scope of the works. Further financial prejudice was, he submitted, caused by the landlord's decision to change the scope of the works after they had been started. Yet further prejudice had been caused by the landlord's subsequent abandonment of its initial offer to leaseholders of options for payment over 24 months (tenant's document 21). He had also, he submitted, been prejudiced because he had been obliged to take legal proceedings to challenge the charge. He submitted that it should be for the landlord to show that no prejudice had been suffered.

24. Mr Allison submitted that the landlord's only breach of the Consultation Regulations was its admitted failure to respond to the tenant's observations within 21 days, a breach in respect of which dispensation should be granted because it had caused no prejudice to the tenant, to whose observations the landlord had had regard, as was apparent from Mr Young's letter dated 2 October 2009 which, he submitted, we ought to accept on the balance of probabilities was sent, and which showed by its contents that the landlord had had regard to the tenant's observations. He said that it was clear from the decided cases on dispensation, such as *Daejan Investments Ltd v Benson* [2011] 1 WLR 2330 and *The London Borough of Camden v the Leaseholders of 37 flats at 30 - 40 Grafton Way* (LRX/185/2006), that the consultation process was not intended to be an obstacle race, and that minor breaches of the consultation requirements which did not cause substantial prejudice should be overlooked. He submitted that the only breach of the requirements which had occurred in this case was the failure to respond to the tenant's observations within 21 days and that it was apparent that the landlord had had regard to his observations, albeit late, so that no prejudice had arisen. He submitted that the further works which the landlord carried out to the roof and internal common parts were adequately described in the first consultation notice which said that the landlord proposed to carry out *roof, tanks and ... decoration of ... internal communal areas,* because the statutory scheme of consultation required, for good practical reasons, only a general description of

the works. He said that in any event the replacement of the water tanks was not charged to the leaseholders and was therefore not relevant to these proceedings.

25. We are satisfied that it is reasonable to dispense with full compliance with the consultation requirements. We accept that the landlord did indeed *have regard* to the tenant's observations and that it did not allow the works to be started until it had considered them. We are, on the balance of probabilities, satisfied that Mr Young's letter responding to the tenant's observations was posted to him, but, even if he did not receive it, the letter shows that his observations had been properly considered. The tenant, perhaps understandably in view of his professional experience, appeared to consider that he was entitled to recommend to the landlord the precise scope of the works to be carried out, but that was not his function. He could make suggestions, but the landlord was not obliged to accept them. We are satisfied that the evidence does not support his case that the landlord was inflexible from the start, with no intention of listening to the leaseholders, and we can identify no prejudice arising from the landlord's failure to respond to his observations within 21 days.

26. We are also satisfied that the additional works to the roof and internal common parts were properly included in the description of the works given in the initial consultation notice and that no further consultation was required as a matter of law when it became clear that further works were required than were originally anticipated, although it would in our view have been courteous and good practice to have informed the leaseholders at an earlier stage than the date when they received the bill that additional works had been found to be necessary and why it was considered necessary to carry them out urgently while the contractors were still at the site.

27. Even if we had not considered that the additional works to the roof and internal common parts had not been properly covered by the description in the first consultation notice we would have been satisfied on the evidence that it would not have been practical for the landlord to re-consult the leaseholders

because of delays which such an exercise would cause, and we would have granted dispensation from compliance with the Consultation Regulations if it had been required. It is clear that the cost of the replacement of the water tanks was not made the subject of a service charge and it is therefore irrelevant.

Reasonableness of the costs and standard of the works

28. These issues are dealt with in the Scott Schedule appended to this decision. Most of the costs were agreed (subject to points arising under the Consultation Regulations) during the course of the hearing.

Service charge percentage

29. The tenant said that the service charge percentage of 3.85% which was applied by the landlord to the cost of the works was unfair and inaccurate because there are 28, not 26, units in the block and the percentage ought to be 100/28, namely 3.57%. He accepted that the issue might be better addressed in an application to vary the lease, (which is not to say that such an application would succeed), but it is right to mention that we were surprised to see in the hearing bundle (tenant's document 54) an email dated 15 October 2012 from Ramesh Manickavasagan, an employee of the landlord, to Andrew Shillam, then a leaseholder of a flat in the block, which included:

> *Thank you for your email dated 13 October 2012. I understand your concerns in relation to apportionment percentages since 2009/2010. On investigation I found that there are three separate blocks with separate entrance and based on this information and housing corporation's recommended apportionment method, in 2009/10 Peabody adopted the bedroom weighting method to calculate the estate and block costs. Bedroom weighting is a suggested fairer*

method when calculation [sic] service charge, when there is different size properties in the block rather than splitting costs evenly".

The email goes on to say that the percentage payable under Mr Shillam's lease is 3.486%, which may explain the larger percentage, presumably for a larger flat, payable under the tenant's lease, but we would expect the landlord to be consistent in its approach to varying the service charge percentages. Mr Allison submitted that it would not be reasonable for the landlord, having consulted on the works in this case on the basis that the cost would be apportioned according to the percentage in the lease, to charge on for the works on a different basis, and he may well be right. We simply note that if the landlord in 2009/2010 adopted what it considered to be a fairer method of apportionment of service charges, based on bed-weighting, the same method ought to be applied to all leaseholders and probably, although not necessarily, for all categories of service charges. The point was not fully argued and we do not know how apportionment based on bed-weighting would affect the amount. In the circumstances we accept that for present purposes the tenant is liable under his lease to pay 3.85% of the reasonable cost of the works.

Costs

30. Mr Allison said that the landlord did not intend to recover its costs of these proceedings through the service charge of any leaseholder and therefore did not oppose an order under section 20C of the Act, which we make. The tenant said that he did not apply for an order under regulation 9 of the Leasehold Valuation Tribunals (Fees) (England) Regulations for the reimbursement of the fees he had paid and we therefore make no order under the regulation.

CHAIRMAN.....

DATE: 7 December 2012

PEABODY
PROJECT SOUND
LEASEHOLDER SPLIT TO BLOCKS BASED ON FINAL ACCOUNT
GREENCOAT MANSIONS REV A

PHILIP PANK PARTNERSHIP

SCOTT SCHEDULE PREPARED FOR HEARING 30/10/12

APPENDIX TO THE TRIBUNAL'S DECISION REFERENCE LON/00BK/LSC/2012/0378

Item of Work	Amount Billed to Leaseholder £	Applicant £	Respondent £	Tribunal £
BRICKWORK AND CHIMNEY REPAIRS				
Total - Brickwork and Chimney Repairs	£42,560.31	£18,403.35	£18,403.35	AGREED FIGURE
ROOFING WORKS				
Take up & renew asphalt roofing	£21,519.20	£21,519.20	£21,519.20	AGREED FIGURE
Skirtings & Upstands	£8,067.40	£8,067.40	£8,067.40	AGREED FIGURE
Solar Reflective Paint	£3,239.50	£3,239.50	£3,239.50	AGREED FIGURE
Completely strip existing roof and replace with temporary covering, new rafters and wall plates, new felt battens and slates, new box gutter and fascias and insulate	£3,130.00	£3,130	£3,130	AGREED FIGURE

Works to upstands	£772.00	£772.00	£772.00	AGREED FIGURE
Form 7 No. lead outlets	£220.00	£220.00	£220.00	AGREED FIGURE
Replace 3 No. fire escape doors and frames	£475.95	£475.95	£475.95	AGREED FIGURE
Install Key Clamp safety rails	£1,015.00	£1,015	£1,015	AGREED FIGURE ON BASIS THAT LANDLORD AGREES MUST REINSTATE AS PER ORIGINAL SPEC AT NO COST TO LEASE HOLDERS
Raise hatch roof to rear tank room hatch	£236.25	Additional works, shouldn't pay. Alternatively, is part of tank replacement works and Landlord's concession re: tanks should apply.	Part of roofing cost, alternatively, part of tanking cost, consulted on, allow.	This cost is allowed. It falls within the description of the works given in the first consultation notice and the cost appears to be reasonable. The landlord is under no obligation to concede this.
Total - Roofing Works	£38,675.30	£38,439.05	£38,675.30	£38,675.30
WINDOWS AND DOORS				
Overhaul Windows	£20,425.00	Landlord said wouldn't charge for this.	Agree, conceded as part of consultation process. Incorrectly put back in in preparation of final account.	Disallowed as agreed by landlord.
Brush strip to staff bead and parting beads	£3,102.50	Landlord said wouldn't charge for this.	Agree, conceded as part of consultation process. Incorrectly put back in in preparation of final account.	Disallowed as agreed by landlord.

Replace conservation joints to windows	£6,037.50	Landlord said wouldn't charge for this.	Agree, conceded as part of consultation process. Incorrectly put back in in preparation of final account.	Disallowed as agreed by landlord
Total - Windows and Doors	£29,565.00	£NIL	£NIL	Nil
DECORATIONS				
Painting to front doors & Frames : msd bs : Class O	£1,516.06	£379.00	£379.00	AGREED FIGURE
Paint to estate entrance doors : bs : msd bs : Class O	£452.66	Accept charge would be reasonable if works carried out properly. Say standard of work low, so value at 50% / £226.33.	Cost and standard of works reasonable. £452.66.	Cost and standard of works reasonable.
Paint to pram shed doors & frames ; bs : msd bs	£250.20	Landlord said wouldn't charge for this.	Conceded - NIL	Disallowed as agreed by landlord.
Paint to store doors : msd bs	£200.16	Landlord said wouldn't charge for this.	Conceded - NIL	Disallowed as agreed by landlord.
Painting to sash windows : msd bs	£9,471.04	£2,367	£2,367	AGREED FIGURE
Paint : Thresholds : Class O	£858.00	£858	£858	AGREED FIGURE

Paint to rendered surfaces	£270.30	£270.30	£270.30	AGREED FIGURE
Paint to rendered entrance	£255.76	£255.76	£255.76	AGREED FIGURE
Paint to rendered band	£234.32	£234.32	£234.32	AGREED FIGURE
Paint concrete cills 300 mm girth	£287.68	£287.68	£287.68	AGREED FIGURE
Paint to mullions	£155.68	£155.68	£155.68	AGREED FIGURE
Paint to gas pipes	£166.80	166.8	£166.80	AGREED FIGURE
Paint to metal window guards	£74.10	Not liable - part of commercial property	CONCEDE	NIL
Paint to metal balustrade : msd bs	£1,350.54	Say sum excessive for work done when compared with figure for floor (see next entry) - say 20% / £270.11	Figure reasonable - more work than floor and should view as a whole - £1350.54	Cost and standard of works reasonable
Paint to metal fire escape flooring : msd bs	£900.36	£900.36	£900.36	AGREED FIGURE

Total - Decorations	£16,443.66	£6,371.34	£7,678.10	£7,678.10
DECORATIONS - COMMUNAL				
Staircase : wash down flooring	£166.50	£166.50	£166.50	AGREED FIGURE
Staircase : Common Areas :Class O : Soffit	£798.00	£798	£798	AGREED FIGURE
Staircase : Common Areas :Class O : Walls	£3,493.50	£3,493.50	£3,493.50	AGREED FIGURE
Fully strip paint fron staircase walls	£28,085.00	Say no more than 50% as not all work necessary / consulted upon and or inflated figure - £14042.50	Decoration of stairwells always part of works consulted on. Reasonable to carry out works, particularly given nature of building and state of stairwell (as noted in Bureau Veritas report) / p117A	We allow 90%, or £25,276.50. We agree that it was unnecessary to strip all the paint at lower level, but accept that the bulk of the cost was reasonably incurred.
Fully strip paint fron staircase ceilings	£6,412.50	Say no more than 50% as not all work necessary / consulted upon and or inflated figure - £3206.25	Decoration of stairwells always part of works consulted on. Reasonable to carry out works, particularly given nature of building and state of stairwell (as noted in Bureau Veritas report) / p117A	We allow 90%, or £5771.25, on the same basis as previous item.
Plaster repairs to all staircases	£21,600.00	Top area needed replastering, rest caused by decision to strip paint. No more than 20% / £4320	Decoration of stairwells always part of works consulted on. Reasonable to carry out works, particularly given nature of building and state of stairwell (as noted in Bureau Veritas report)	We allow 90%, or £19,440, on same basis as previous items.
Staircase : Skirtings : Class 0	£974.05	£974.05	£974.05	AGREED FIGURE

Staircase : metal handrail : Class O	£562.38	£562.38	£562.38	AGREED FIGURE
Total - Decoration Communal	£62,091.93	£27,563.18	£62,091.93	£56,482.18
OTHER WORKS				
Clearing Vegetation	£300.00	Landlord stated in reply to observations no vegetation at that time.	Will agree not to charge Applicant.	NIL
Form lead chute thorough Parapet wall	£758.00	Leave to Tribunal - believe is duplication with 7x formed lead outlets / nil.	£758 - in full - separate piece of work, seperately consulted on. Other work within general roofing works.	No duplication. This is allowed
Pram shed roof replacements	£1,950.00	Landlord said wouldn't charge for this during consultation process.	Agree, conceded as part of consultation process. Incorrectly put back in in preparation of final account.	NIL
Overhaul pram shed doors and frames, decorate and all necessary ironmongery	£209.00	Landlord said wouldn't charge for this during consultation process.	Agree, conceded as part of consultation process. Incorrectly put back in in preparation of final account.	NIL
Light-weight Promenade Tiles	£1,836.00	£1,836	£1,836	AGREED FIGURE
Form new parpaet detail around tank enclosures	£430.00	£430.00	£430.00	AGREED FIGURE

Carry out felt work around upstand to pipework boxing	£525.00	Should come out as Landlord hasn't charged for other tank works and charge excessive for simple thermal insulation.	Consulted on replacement of tank enclosures. Most tank costs not recovered as concession. Entitled to charge these modest sums, necessary additional roof work costs. - £525	Allowed. Charge reasonable
Total - Other Works	£6,008.00	£2,266	£3,549	£3,549
Sub Total £	**£195,344.20**	**£93,042.92**	**£130,161.43**	£124,787.93
PRELIMINARIES	£41,114.76	£41,114.76	£41,114.76	£41,114.76
Sub Total £	£236,458.96	£134,157.68	£171,276.19	£165,902.69
Inflation uplift 2008 @ 4.90%	£15,289.32	£6,573.73	£8,392.53	£8,129.23
Sub Total £	£251,748.28	£140,731.41	£179,668.72	£174,031.92
Oversailing licences	£1,638.75	£1368.75 - balance relates to estate agency charges	Payable in full. Total sum relates to oversailing licenses.	£1638.75 allowed. We are satisfied on the balance of probabilities that te estate agent's charge relates to the licence
SCAFFOLDING	£52,159.90	Should be as per estimate at page 167on - £47,100	£52159.90 - AS CHARGED, not much more than quote and reflects changes in scope of works. Landlord not passed on charge for 5 extra weeks of scaffold.	£52,159.90 allowed . We accept that small uplift reasonable becaise of changed scope of the works.

Sub Total £	**£290,257.61**	£189,200.16	£233,467.37	£227,830.57
Main Contractors uplift @ 7.5%	£21,769.32	£14,190.01	£17,510.05	£17,257,16
Sub Total £	**£312,026.93**	£203,390.21	£250,977.42	£244,917.66
(Inflationary uplift moved to higher up)				
Gross Final Account £	**£327,316.25**	**£203,390.21**	**£250,977.42**	£244,917.66
[Loss and Expense charge for overrun]	£0.00	£nil	£0 - cost not passed on to leaseholders in final bill, no jurisdiction re: this charge.	
CONSULTANT FEES @ 2.25%	£7,364.62	Landlord said wouldn't charge because included in management fee - leave to LVT	£5646.99 - Didn't say wouldn't charge. This is reference to 3rd para of page 3 of response to observations. Can't avoid every single consultants fees - reasonable to charge. Consulted on 12.5%, charged 10+2.25	2.5%, namely £5510.65, allowed. We accept that the landlord did not promise not to charge consultants' fees and that these are reasonable.
Sub Total £	**£334,680.87**	**£203,390.21**	**£256,624.41**	£250,428.51
VAT @ 17.50%	£58,569.15	No VAT due as prices above all inclusive of VAT / see s.20B notice - tnts doc 15.	VAT due as charged by Wates / Panks and entitled to pass on. VAT rate 17.5%. See tab H and p69/80 - £44,909.27	VAT is due because the above figures exclude VAT. VAT of 17.5%, namely £43,824.98, is payable

Sub Total £	£393,250.02	£203,390.21	£301,533.68	£294,523.49
Management Fee @ 10%	£39,325.00	Elements of project poorly managed. 10% not reasonable. Will leave to Tribunal to assess.	Fee reasonable, consulted upon, and recoverable. Extensive management of works necessary and carried out. See minutes of site meetings. - £30153.37	We agree that some elements of the work, particularly brickwork repairs, were badly managed and allow 7.5%, namely£22,069.01
TOTAL	**£432,575.02**	**£203,390.21**	**£331,687.05**	£316,322.50
APPLICANT'S SHARE @ 3.85%	**£16,654.14**	**£7,830.52**	**£12,769.95**	£12,178.41