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FIRST-TIER TRIBUNAL PROPERTY CHAMBER
(RESIDENTIAL PROPERTY)

Case Reference : CHI/OOMS/LSC/2013/0056 ; &
CHI/OOMS/LSC/2013/0057; &
CHI/OOMS/LSC/2013/0058

Property : Flat 108 Sirocco, 7th Floor, 33 Channel Way, Ocean
Village, Southampton SO14 3JF; &

Flat 23 Mistral, 2nd Floor, 32 Channel Way, Ocean
Village, Southampton SO14 3JA; &

Flat 45 Mistral, 4th Floor, 32 Channel Way, Ocean
Village, Southampton SO14 3JA

Applicants : Holding & Management (Solitaire) Limited (the
Managing Agent); &

Blackhouse Investment Properties Limited (the
Landlord)

Representative : Ms Lorna Eukora

Respondent : Mr Ian James Kirby

Representative : Mr David Macaree

Type of Application: Transfer from Southampton County Court for
determination whether the service charges claimed
are reasonable pursuant to Sections 19 and 27A
Landlord and Tenant Act 1985

Tribunal Members : Judge P.J. Barber
Mr D Lintott FRICS Valuer Member

Date and venue of Hearings : 29/10/2013 Holiday Inn, Leigh Road,
Eastleigh, Hampshire SO50 9PG

17/12/2013 Mercure Dolphin Hotel, 34-35
High Street, Southampton SO14
2HN

Date of Decision: 6th January 2014

DECISION

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Decision

(1) The Tribunal determines in accordance with the provisions of Sections 19 and 27A Landlord and Tenant Act 1985 (“the 1985 Act”) that the estimated service charges as demanded by the Applicants from the Respondent for each of Flat 108 Sirocco, Flat 23 Mistral & Flat 45 Mistral are reasonable save only that the reasonable budget sum for the Janitor / Groundsman item referred to at Page 1734 of the Applicants` bundle under “Schedule 1 – Estate Costs”, is £8,000.00 and not £11,700.00 and the corresponding demand issued to the Respondent should be adjusted accordingly and so as to reflect the obligations in the leases.

(2) The Tribunal determines that the service charge year-end adjustments for 2010-11 claimed by the Applicants, respectively as £59.29 for Flat 108 Sirocco and £394.78 for Flat 45 Mistral, are not reasonable and not payable by the Respondent.

Reasons

INTRODUCTION

1. These are matters transferred to the Tribunal by Order of District Judge Powell on 10 May 2013 in relation to what originally were three sets of proceedings issued in Northampton County Court, but transferred to Southampton County Court under a consolidated Claim Number 2YN68387, to determine the question whether the service charges claimed are reasonable. The total amounts claimed in the County Court in regard to the three respective properties are as follows :-

Flat 108 Sirocco (7th Floor), 33 Channel Way, Ocean Village, Southampton

Total claim in the County Court = £2,421.94 ;

Service Charge element = £1,859.00

Half Yearly Service Charge in advance Apr 12 – Sep 12	£ 791.51
Interest	£ 10.67
Administration Charge	£ 60.00
Service Charge Year End Adjustment Apr 10-Mar 11	£ 58.29
Half Yearly Service Charge in advance Oct 12- Mar 13	<u>£ 938.53</u>
TOTAL	£1,859.00

Hence the service charges for determination by the Tribunal for Flat 108 Sirocco are those advance payments of service charge for the period April 2012 – March 2013 being £1,730.04 plus the Year End Adjustment of £59.29 for April 2010 – March 2011.

Flat 23 Mistral (2nd Floor), 32 Channel Way, Ocean Village, Southampton

Total claim in the County Court = £1,185.12;

Service Charge element = £780.68

Half Yearly Service Charge in advance Apr-Sep 12	£ 1,315.99
Interest	£ 22.16
Administration Charge	£ 60.00
Interest	£ 6.07

In the case of Flat 23 Mistral, the service charge claimed in the County Court is £780.68 Hence the service charges for determination by the Tribunal for Flat 23 Mistral form part of those advance payments of service charge for the period Apr 2012 – Sep 2012 being £1,315.99

Flat 45 Mistral (4th Floor), 32 Channel Way, Ocean Village, Southampton

Total claim in the County Court = £3,244.05;

Service Charge element = £2,687.00

Half Yearly Service Charge in advance : Apr-Sept 2012	£ 1,091.17
Interest	£ 12.83
Administration Charge	£ 60.00
Service Charge Year End Adjustment Apr 10-Mar 11	£ 394.78
Half Yearly Service Charge in advance Oct 12-Mar 13	<u>£ 1,128.22</u>
TOTAL	£ 2,687.00

Hence the service charges for determination by the Tribunal for Flat 45 Mistral are those advance payments of service charge for the period Apr 2012 – Mar 2013 being £2,219.39 plus the Year End Adjustment of £394.78 for Apr 2010 – Mar 2011.

The Applicants are Holding & Management (Solitaire) Limited (the managing agents) and Blackhouse Investment Properties Limited (the Lessor). In broad terms the elements of service charges disputed by the Respondent are :

Electricity

Sweeping

Cleaning (security Office)

Security

Contribution to common service

Management Fees

Concierge & on-costs

Cleaning costs

Health & Safety costs

Mistral and Sirocco are two blocks located within the Ocean Village waterside development in Southampton; the Ocean Village Estate is a mixed use development comprising approximately 300 residential, leisure and business properties. The claims relate to Flat 108 Sirocco, 33 Channel Way, Southampton SO14 3JF (108 Sirocco) which property was demised by a Lease dated 31st October 2006 ("the 108 Sirocco Lease"). Flat 23 Mistral, 32 Channel Way, Southampton SO14 3JA ("23 Mistral") which property was demised by a Lease dated 19th December 2003 ("the 23 Mistral Lease") and Flat 45 Mistral, 32 Channel Way, Southampton SO14 3JA ("45 Mistral") which property was demised by a Lease dated 19th December 2003 ("the 45 Mistral Lease"). All three Leases were granted to the Respondent.

INSPECTION

2. The Tribunal's inspection took place on 29th October 2013, in the presence of Ms Enukora and Mr Strand on behalf of the Applicants; the Respondent Mr Kirby also attended, together with a neighbour, Mr Macaree, who Mr Kirby designated as his representative.
3. Mistral and Sirocco are blocks forming part of Admiral's Quay, which itself forms part of Ocean Village, which in turn interlinks with a further area managed or controlled by Marina Development Limited (MDL). Other blocks within, or adjoining Admiral's Quay include Endeavour, Sundowner, Ranger and Ironside House. No internal inspection of any of the three subject flats was requested by the parties; however external inspection of the blocks and general layout of the estate took place, including inspection of communal hall, stairs and landings and lifts serving both Mistral & Sirocco. The blocks appeared to be of concrete frame or similar construction, with a combination of face brick, aggregate and timber boarded elevations. There are communal garden or podium areas between the blocks and large underground car parking areas accessed by electrically operated gates and/or shutters. There were a number of commercial outlets situated below certain of the blocks including "Banana Wharf" (Sirocco); "Pitcher & Piano" (Sundowner); "Merchants Bar" & "Chiquito's Restaurant" (Ironside House). Internal communal hallways had emulsion painted walls and a combination of carpet and/or plastic floor tiling. The Tribunal noted that there were one or two examples at least, in the large underground car park areas of water ingress or leakage adjacent to concrete structural columns supporting the podium and grassed areas above.

THE LAW

4. Section 19(1) of the 1985 Act provides that :

"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.”

Section 20B of the 1985 Act provides as follows :

- (1) If any of the relevant costs taken into account in determining the amount of any service charge were incurred more than 18 months before a demand for payment of the service charge is served on the tenant then (subject to subsection (2)) the tenant shall not be liable to pay so much of the service charge as reflects the costs so incurred*
- (2) Subsection (1) shall not apply if, within the period of 18 months beginning with the date when the relevant costs in question were incurred, the tenant was notified in writing that those costs had been incurred and that he would subsequently be required under the terms of his lease to contribute to them by the payment of a service charge.*

Sub-Sections 27A (1), (2) and (3) of the 1985 Act provide that :

“(1) An application may be made to a leasehold valuation tribunal for a determination whether a service charge is payable and, if it is, as to -

- (a) the person by whom it is payable,*
- (b) the person to whom it is payable,*
- (c) the amount which is payable,*
- (d) the date at or by which it is payable, and*
- (e) the manner in which it is payable.”*

(2) Subsection (1) applies whether or not any payment has been made.”

(3) An application may also be made to a leasehold valuation tribunal for a determination whether, if costs were incurred for services, repairs, maintenance, improvements, insurance or management of any specified description, a service charge would be payable for the cost, and, if it would, as to -

- (a) the person by whom it would be payable,*
- (b) the person to whom it would be payable,*
- (c) the amount which would be payable,*
- (d) the date at or by which it would be payable, and*
- (e) the manner in which it would be payable.*

“Service Charges” are defined in Section 18 of the 1985 Act as follows

(1) In the following provisions of this Act “service charge” means an amount payable by a 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, 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*

18(2) *The relevant costs are the costs or estimated costs incurred or to be incurred by or on behalf of the landlord, or a superior landlord, in connection with the matters for which the service charge is payable.*

(3) *For this purpose-*

(a) *“costs” includes overheads, and*

(b) *costs are relevant costs in relation to a service charge whether they are incurred, or to be incurred, in the period for which the service charge is payable or in an earlier or later period.*

HEARING & REPRESENTATIONS

10. The hearing on 29th October 2013, was attended by Ms Eukora, Mr Strand and Mr Tola Danso, accountant for the Applicants; the Respondent Mr Kirby attended; his neighbour Mr Macaree presented his case and another neighbour Ms Clare Rigler also attended.
11. The Tribunal made it clear to the parties at the outset that its jurisdiction in this matter, transferred from the County Court, was only in relation firstly, to determining whether the advance or estimated service charges for 2012-13 were reasonable, and secondly, whether the year-end adjustment for the service charge year 2010-11 in relation only to 108 Sirocco and 45 Mistral, was reasonable. In regard to the estimated service charges for 2012-13 it would be necessary to determine whether such estimates were reasonable in the context of previous actual charges, taking account of any proportionate trends and prudent budgetary provision. Determination however, of reasonableness in regard to the year-end adjustments for 2010-11 would of necessity require some further detailed examination of actual expenditure for the whole of that year with any necessary reference to supporting invoices and vouchers.
12. Ms Eukora called Mr Strand to give evidence regarding reasonableness of the estimated service charge demands for 2012-13. Mr Strand said that it was necessary, when setting estimates for future costs, to consider historic costs and trends. Mr Strand said that the accounts for these blocks were complex, involving 17 separate schedules. The Tribunal invited Mr Macaree to summarise which particular aspects of the estimated service charge demands were of concern, but taking into account the fact that these are only estimates and that specific reference to actual expenditure in 2012-13 would be of limited relevance. Reference was made to Pages 1734-1741 of the Applicants' bundle; Mr Macaree said that the relevant schedules which cause concern are Schedules 1,2,3,10,12, 13 & 14. The Tribunal proceeded to hear representations from the parties in regard to the various elements of the above schedules including as follows :-

Schedule 1 – Estate Costs

Mr Macaree submitted that there was no handyman or janitor; Ms Eukora accepted that the estimate for this item should fairly be £8,000 and not £11,700 as shown. In regard to electricity costs, Mr Macaree said these were excessive and he also thought they related to other parts of the development outside Admiral's Quay. Similarly Mr Macaree referred to what he described as lack of clarity or certainty in regard to charges for water & sewage and landscaping. In regard to Night Staff / Security, Mr Macaree said there was only one person on duty in the

conciierge office and that the charges involved were unreasonable and disproportionate. In regard to Management Fees Mr Macaree said that overall a poor service was given and that in reality there was considerable mismanagement. The "Ocean Village Charge" of £70,000 was the sum paid to MDL by way of wider contribution to the maintenance of the marina development as a whole, including the sea wall; Mr Macaree submitted that this was an arbitrary and excessive amount.

Schedule 2 - Conciierge

Mr Macaree submitted that the member of staff located in the Conciierge office did very little in practice and was a cost without benefit. Electricity charges were similarly questioned.

Schedule 3 – Deck

Mr Macaree complained that various lights did not work within the development. The Tribunal reminded the Respondent that in regard to 2012-13, the issue is only as to whether the estimates are reasonable. The Tribunal pointed out that the Respondent may, if he was so minded in future make his own application for determination of reasonableness of actual charges for 2012-13; however in regard to the estimates or budget figures, it was necessary to provide comments only on an objective basis, as to whether the sums demanded were reasonable estimates but assuming the work was being properly carried out or costs properly incurred. On this basis, Mr Macaree confirmed that the Schedule 3 estimated costs would be reasonable.

Schedule 10 – Mistral Block Costs

Mr Macaree submitted that there had been a number of insurance claims for water ingress resulting from less than satisfactory build quality or design and that this had resulted in insurance premiums generally being higher than they should have been. Mr Strand said that the insurance was obtained via brokers and exposed to the market. Again in regard to electricity, water & sewage, Mr Macaree submitted that allocation of such costs was arbitrary and the method of sub-division of such costs was unclear. In regard to cleaning, Mr Macaree submitted that the costs represented poor value for money in relation to actual time spent by staff who often went off and did other things.

Schedule 12 – Sirocco Block Costs

Mr Macaree said he had similar concerns in regard to arbitrary subdivision of costs relating to electricity, water, cleaning and general repairs.

Schedule 13 – Insurance Sirocco

Mr Macaree raised the same concern as to insurance for Sirocco, as for insurance for Mistral, referred to above.

Schedule 14 – Parking Costs

Following further reminder as to the need to consider whether the estimates were reasonable on an objective basis, assuming the work would be properly done, Mr Macaree accepted the figures in this schedule would be reasonable on such a basis. Mr Strand confirmed that reference in Schedule 14 to maintenance of landscaped areas, should in fact be to sweeping tasks.

12. In regard to the estimates generally, Mr Strand submitted that with the exception of the janitor item in Schedule 1, the estimates were not greatly divergent from the actual costs incurred in the preceding service charge year or years. The Tribunal asked Ms Eukora to explain how "the Estate" was actually defined in the 3 Leases since this was not entirely clear from the uncoloured plans supplied. Ms Eukora undertook to provide clarification including a clear red edged plan to identify the Estate, to the Tribunal and also the Respondent, by no later than 12th November 2013.
13. Owing to time constraints it was not possible to hear evidence on 29th October 2013 regarding the year-end adjustments for 2010-11; accordingly the hearing was adjourned, to be continued on a date to be advised.
14. At the reconvened hearing on 17th December 2013, the Tribunal heard representations from the parties concerning the actual costs for 2010-11 which resulted in the relevant year-end adjustments for that year. Ms Eukora and Mr Strand attended for the Applicants together with Mr Doherty and Mr Bettinson. Mr Macaree and Mr Kirby attended for the Respondent. Submissions were made by Ms Eukora and Mr Macaree in regard to each of the relevant Schedules referred to at Pages 278-283 of the Applicants' bundle, concerning the year-end actual service charge costs for 2010-11 in respect of both 108 Sirocco and 45 Mistral, as follows :

Schedule 1 – Estate Expenditure

Reference was made to the actual insurance cost of £128.28 shown on Page 279, although this was slightly at variance with the figure of £170.88 shown on the Zurich certificate at Page 1454; it was suggested that the difference was explained by the insurance year differing from the service charge year. Ms Eukora said that the electricity costs of £11,445.12 related to all blocks; Mr Macaree said the amount seemed huge and in any event, there were further substantial charges for electricity under Schedules 2, 3, 10, 12 & 14. Ms Eukora said no invoice was available for the £702.88 water charges relating to irrigation charges for the podium gardens; Mr Macaree said that the irrigation system had not been working for a long time, including during 2010. Ms Eukora submitted that the £23,225.27 for landscaping & sweeping, comprised monthly invoices of approximately £1,800.00 each for sweeping private access roads in the development and approximately £4,000.00 for gardening. Mr Macaree said that very little sweeping occurred in practice and that the charges were in any event excessive; he added that there were very limited garden areas in reality. Ms Eukora said the £56,590.72 charges for Security / CCTV reflected provision of uniformed staff in the concierge office on a 24 hour shift basis, 7 days a week together with telephone and related expenditure. Mr Macaree said that apart from reviewing CCTV footage, the concierge staff did very little, that the cost was disproportionate and the division of costs unfair. Ms Eukora was unable to produce any invoices for the £8,908.14 General Repairs item. Ms Eukora submitted that the £43,615.98 contribution to common services provided by MDL related to the wider estate contributions; she asserted that these are payable pursuant to Clause 9.4(b) of the leases. Mr Macaree said that the service charge provisions and proportions are in fact as set out in the Fourth Schedule of the leases; he said that 70% of the maintenance costs of "the Estate" (defined in the leases as "The land now or formerly comprised in the above Title Number" (HP565269) are attributed to residential units, but that the apportionment to each individual flat, had to be according to the floor area of each

flat relative to the total floor area of the building. Mr Macaree referred to Pages 287 onwards in the Applicants' bundle which appeared to show equal division of costs according to the number of flats in each building, rather than according to floor area. Mr Macaree also questioned the authority in the leases for contribution towards MDL costs. In regard to management fees of £35,199.29 Mr Strand carried out some calculations and said that these equated to approximately £195.64 per unit. Mr Macaree again asserted that the division of such costs was not in any event in accordance with the requirements of the Fourth Schedule of the leases. In regard to Accountancy & Audit costs of £4,172.00 Ms Eukora was unable to produce invoices; she submitted that the Legal Fee of £12.00 was for obtaining Land Registry entries and referred to the invoice at Page 1434 of her bundle in relation to Health & Safety costs of £399.50.

Insurance

Mr Bettinson, the Applicants' insurance specialist, gave evidence to address a previous allegation made by the Respondent that insurance costs were higher than need be, owing to the number of claims for leaks into the car park caused allegedly by defective construction methods. Mr Bettinson referred to Pages 1540 & 1541 of the Applicants' bundle and said that he had carried out an analysis of claims and that most of these related to leaks inside the flats. Mr Macaree referred to separate proceedings involving the contractors and alleged problems arising from an absence of pressure release valves on the mains water inlets to the buildings.

Schedule 2 – Concierge Expenditure

Ms Eukora explained that whilst the Schedule 1 costs are divided among all 5 blocks in the Estate, Schedule 2 costs are only divided between Sandowner, Mistral & Sirocco. Mr Macaree submitted that this was unfair and questioned why the cost of the concierge service, which was he said, effectively for the benefit of the Estate, not shared by all flats in the Estate.

Schedule 3 – Deck and Common Area Expenditure

Ms Eukora said that many of the comments, not only for Schedule 3, but also the remaining Schedules, were the same or similar as for Schedule 1 above. Mr Macaree pointed out that Schedule 3 also includes costs for the garden adjoining the concierge block but that such costs are not fairly apportioned as between all those who have the use or benefit of the same; he said this was another example of inappropriate or arbitrary division of costs. Mr Strand said that the lack of payment of service charges inevitably restricted the amount of work which could be carried out. Mr Macaree again made the point that the costs were being divided not as in accordance with the leases; Mr Strand accepted that there probably was a mistake in regard to such subdivision not being in accordance with individual flat floor areas; he said this may have crept in at the time when Consort took over as managing agents from Solitaire.

Schedule 10 – Mistral Block & Insurance Expenditure

Ms Eukora said that again, many of the comments on the individual elements of Schedule 10, were the same as for previous Schedules. There were electricity costs of £24,875.13 equating to almost £500.00 per week. Mr Strand said that the water & sewage item of £21,091.59 reflects bulk supply to all flats in the block. Mr Macaree referred to there being a profusion of different electric meters which result in uncertainty and confusion as to what is supplied for which flats; he

referred to Pages 172 & 173 of the Respondent`s bundle which included electricity invoices issued to Consort but apparently relating to other property – “Mocha Marina” and “Ocean Way Southampton Docks”. Mr Macaree submitted that these reflect the general lack of clarity and accuracy in the way in which services are attributed; he added that the electricity cost apportionments for Mistral & Sirocco were similar even though there are, he said, 60 flats in Mistral and 114 flats in Sirocco. Similarly Mr Macaree questioned the accuracy of the water & sewage costs and said there are various meters on the site, but little clarity or information as to the premises which they actually serve.

Schedule 12 – Sirocco Block Expenditure

Neither party submitted any specific comments other than as before.

Schedule 13 – Sirocco Insurance Expenditure

Neither party submitted any specific comments other than as before.

Schedule 14 – Mistral & Sirocco Parking Expenditure

Ms Eukora confirmed the electricity charges under this Schedule are only for the underground car parks. Mr Macaree said that although he considered these costs generally acceptable, he still considered that the allocations to individual flats were wrong and not as in accordance with the leases.

15. In closing, Mr Macaree said that the Applicants had lost control of the costs and also, they were simply not dividing or allocating them as required by the leases; he said the Schedules were over complex and inscrutable and he suspected an element also of double counting. Mr Macaree said that was a lack of clarity regarding the interaction between MDL costs for the wider marina development and the Estate costs and he questioned in any event why MDL appeared to be providing similar services for a much larger area, more cheaply than the Applicants were doing only in respect of the Estate. Mr Macaree referred to unfair division of costs generally and obscurity in regard to the profusion of water and electricity meters and as to the premises to which they actually relate. Mr Macaree submitted it was unfair that only some of the blocks were included in costs division under some of the Schedules, when they actually all have the benefit of the services concerned.
16. In her closing, Ms Eukora submitted that the leases expressly provide as to what is payable and that all the service charges in 2010-11 were reasonably incurred and in respect of work which was of a reasonable standard. Ms Eukora denied that there was any duplication of costs and also referred to the wide powers in the leases enabling the landlord to employ staff as it sees fit.

CONSIDERATION

17. The Tribunal, have taken into account all the oral evidence and those case papers to which we have been specifically referred and the submissions of the parties.
18. The Tribunal considered the position regarding the estimated advance service charges for 2012-13 as follows. It was necessary to consider whether the sums demanded were reasonable in context, taking into account the nature of the development and a broad comparison with actual costs arising in the immediately preceding year. Inevitably a broad brush approach was required. The Tribunal concludes on the basis of the evidence presented that for the most part, the budget figures shown in the various schedules at Pages 1734-1741 of the Applicants` bundle, seem to be consistent with the actual costs for the immediately preceding

year. Accordingly until actual costs for 2012-13 are challenged by other means, the Tribunal finds it difficult not to conclude that the figures presented are reasonable as a budget. On this basis, the Tribunal is not in a position to challenge the budget figures without further or fuller information. Reference by the Respondent to concern as to how the service charge is actually applied and the quality and reliability of services and accuracy of metered provision is a separate issue. The single exception in the 2012-13 budget figures is the item for janitor provision in Schedule 1 which the Applicants accepted should be £8,000 not £11,700.

19. In regard to the Year End Adjustments for 2010-11, the Tribunal noted that on many occasions the Applicants' representatives were unable to give clear and immediate or unequivocal responses to questions raised, and needed time repeatedly during the hearings to confer and consider their position. The Tribunal further notes that at the very least, the proportions being used to attribute service charges to individual flats, do not always reflect relative floor areas as required in the leases. In addition although Ms Eukora submitted that the justification for recharging the MDL costs arose under Clauses 9.4(b) in the leases, some doubt arose as to whether that clause does in fact correctly allow for such recharging. In addition, it was clear from the schedule of MDL charges at Page 1522 of the Applicants' bundle, that such charges relate to a much broader area than "the Estate"; even if there is an obligation in the leases to make such contribution to the MDL charges, such recharges are clearly being applied as a proportion of costs relating to a much larger area, and not in accordance with the proportions specified in the leases. The Tribunal further noted the admission made by Mr Strand to a mistake having arisen in regard to the way that the service charge proportions are calculated, and that he had accepted as a result, that the charges were not by reference to individual flat floor areas, as required in the leases – probably, he had said, following an earlier change of managing agents. Whilst Mr Strand did his best to try to provide some degree of clarification on various matters, he had admitted that his involvement with the properties was somewhat historic and the Applicants chose not to call in evidence any representative from the managing agents Consort, in order to provide any further clarification of the position. The Tribunal considers on the information before it, that the structure of the service charge may well be over complicated and likely to lead to a perception of, if not actual errors in the division and apportionment of costs. Despite the lengthy bundles provided by the Applicants, some invoices had not been provided at all and it was clear that on certain occasions, the Applicants' representatives themselves found the various schedules and sub-divisions to be confusing. Overall the electricity and some of the other charges appeared to be high. Accordingly, given the limitations in regard to the evidence actually supplied and the evident confusion as regards the complex structure of the service charges, as well as the incorrect apportionments being variously applied, the Tribunal concludes and determines that the year-end adjustments on actual service charges for 2010-11, for either 108 Sirocco or 45 Mistral are not reasonable and not payable.

20. We made our decisions accordingly.

Judge P J Barber

A member of the Tribunal
appointed by the Lord Chancellor

Appeals :

1. A person wishing to appeal this decision to the Upper Tribunal (Lands Chamber) must seek permission to do so by making written application to the First-tier Tribunal at the Regional office which has been dealing with the case.
2. The application must arrive at the Tribunal within 28 days after the Tribunal sends to the person making the application written reasons for the decision.
3. If the person wishing to appeal does not comply with the 28-day time limit, the person shall include with the application for permission to appeal a request for an extension of time and the reason for not complying with the 28-day time limit; the Tribunal will then decide whether to extend time or not to allow the application for permission to appeal to proceed.
4. The application for permission to appeal must identify the decision of the Tribunal to which it relates, state the grounds of appeal, and state the result the party making the application is seeking.