

10906



**FIRST-TIER TRIBUNAL
PROPERTY CHAMBER
(RESIDENTIAL PROPERTY)**

Case Reference : LON/00AT/LSC/2014/0292

Property : 43-72 Camellia House, Tilley Road,
Feltham, Middlesex, TW13 4GJ

Applicants : Ms P. Canales (Flat 64)
Mr J. Akram (Flat 44)
Ms A. Kaur (Flat 55)
Mr F. Barbier (Flat 66)
Ms O Young & Ms L. Payne (Flat 51)
Ms A. Tamayo (Flat 43)
Ms Z. Emambocus (Flat 45)
Ms O. Sellems (Flat 47)

Representatives : Ms Canales and Ms Kaur

Respondents : A2Dominion South Limited (1)
Holding and Management
(Solitaire) No 2 Limited (2)
BDW Trading Limited (3)

Representatives : Ms A Matraxia; Solicitor,
A2Dominion (1)
Mr P Pandit; Solicitor, Peverel
Group (2)
No appearance; BDW Trading Ltd
(3)

Type of Application : Liability to pay annual service
charges (Section 27A and 20C
Landlord and Tenant Act 1985)

Tribunal: : Judge Lancelot Robson
Mr L. Jarero BSc FRICS
Mrs J. Hawkins

**Date and Venue of
hearing** : 10th and 11th December 2014, and
21st January 2015
10 Alfred Place, London WC1E 7LR

Decision Date : 14th May 1025

Decision Summary

- (1) The terms of the Lease dated 25th August 2005 obliges the Applicants to pay all the service charges demanded by the First Respondent in this application. The terms of the Headlease require the First Respondent to pay the Second Respondent all the service charges demanded by the Second Respondent, except those relating to the Reserve fund. Sums already paid in error shall be repaid to the First Respondent to hold as trustee for the Applicants.
- (2) Relating to the services charges of the Second Respondent the Tribunal decided as set out under the relevant detailed headings in the decision.
- (3) Relating to the services charges demanded by the First Respondent, the Tribunal has summarised its decisions in the Scott Schedule amended in writing, and attached as Appendix 2 to this Decision.
- (4) Other Items - the First Respondent decided to collect and hold funds from the underlessees of the Building against relevant demands from the Second Respondent. The Tribunal approved this decision.
- (5) Section 20C - Costs Order limiting the Landlord's costs to Nil was made (i.e. each side should pay its own costs).
- (6) As discussed at the hearing on 21st January 2015, the parties are free to make further applications without charge relating to costs and fees pursuant to Rule 13 of the Tribunal Procedure (First-tier Tribunal) (Property Chamber) Rules 2013, if received within 28 days of the date this decision was sent to the parties.

Background

1. The Applicants seek a determination under Section 27A as to whether annual service charges are payable for the service charge years ending on 30th June, 2007, 2008, 2009, 31st March 2010, 2011, 2012, 2013, 2014, and estimated charges for the year ending on 31st March 2015 under a (specimen) lease dated 14th November 2006 (the Lease), and a headlease of 43-72 Camellia House (the Building) dated 25th August 2005 (the Headlease)
2. The Applicants also seek an order for the limitation of the landlord's costs in the proceedings under section 20C of the Landlord and Tenant Act 1985, and an order for reimbursement of their fees paid to the Tribunal under Rule 13 of the Tribunal Procedure (First-tier Tribunal) (Property Chamber) Rules 2013.

3. Mr M. Al-Ani (Flat 21) withdrew from the application prior to the hearing. His landlord, BDW Trading, wrote to the Tribunal and stated that it did not wish to take part in the hearing as there seemed no further reason to do so. The Tribunal accepted this point.
4. When the hearing commenced after the inspection on 10th December the parties disclosed that they believed they were close to an agreement relating to the service charges for the years 2007, 2008, 2009, 2010, also the cleaning and gardening for 2011. The Tribunal accordingly adjourned to give the parties time to conclude their negotiation. They reported back later in the afternoon to confirm that they had an agreement, subject to approval by appropriate members of the Respondents.
5. On the morning of 11th December the parties asked for a short further adjournment to confirm the terms of their agreement. A copy was signed, and the parties confirmed to the Tribunal that there was a binding agreement between them. A copy of the signed agreement was kept by the case officer for the file, but not shown to the Tribunal, as other similar matters were still in dispute. The hearing continued relating to the remaining items in dispute on 11th December 2014, but the parties were unable to complete their evidence by the end of that day. Further Directions were given by the Tribunal to allow the parties to consider and make representations relating to the sinking fund charges levied by the Second Respondent, and the hearing was resumed on 21st January 2015.

Inspection

6. The Tribunal inspected the Building and the Estate on the morning of 10th December 2014 in the company of representatives of the Applicants, both Respondents, and a police community support officer. Camellia House is part of the Feltham town centre development (the Development). We were informed that the freeholder of the Development is Aviva, the well-known insurance company. A few services involving the Development are provided by the freeholder's managing agents, DTZ. A small annual charge for these services appears on the Second Respondent's service charge, but these charges are not disputed by the Applicants. The Estate is owned by the Second Respondent, comprising a number of residential and commercial blocks built above and around the commercial shopping centre. The Second Respondent provides services to the Estate for which it raises a service charge relating to the common parts and services on the Estate, and which is in dispute in this application. 43- 72 Camellia House is a social housing block within the Estate, let on a long lease to the First Respondent. The First Respondent manages the social housing block and raises a service charge on the common parts and services of the subject block. That service charge is also in dispute.
7. Access to this particular sub-group of buildings within the Estate is primarily gained through an unimposing metal framed glass door within

the precincts of the shopping centre. The door is controlled by key fobs, an entryphone, and nominally at least, a CCTV camera. The CCTV camera appeared to be non-operational at the time of our visit, and the apparently incomplete and exposed wiring suggested that the installation had not been completed. The door and frame looked well used and bent in places. It looked quite frail for the amount of use it was likely to receive. Immediately behind the door in the hallway were a set of open postboxes. An internal door led to the lift lobby, which also contained a cleaning cupboard. The carpeting and tiles looked used but had been cleaned very recently. The lift appeared to be in working order, and led to the second floor.

8. The main bin store for the Estate (serving 72 properties) was in an extension to the rear of the entrance building at ground floor level. It had no windows, with heavy doors used for access by waste disposal lorries. There was an extractor fan, and evidence of insect and vermin control. At the time of our visit, the store contained two Eurobins for general rubbish and another for recycling. There was some fly tipping on the floor, although the room appeared to have been cleaned recently. It appeared hard used and smelt unpleasant. We were informed that the last painting of this room had been some years ago. We were informed by the site manager that the Estate had 6 Eurobins some of which were outside the building out of sight, which were rotated on a daily basis. The Paladins were emptied by the Council twice a week.
9. The Tribunal then inspected the stairs leading to the second floor. Again the carpets had been cleaned recently and the walls repainted apparently within the last few months. There was a half landing at first floor level with a slightly secluded balcony overlooking the main entrance door. We were informed that this was a favourite haunt of youths trespassing into the common parts, who liked to climb in this area, indulge in anti-social behaviour, and frighten residents. The Applicants complained of faeces and drug needles being left on carpets. At the next level, there was a very secluded second entrance door for access to one of the Development's car parks, through a short corridor. There was apparently no entryphone or CCTV controlling it. The Tribunal noted that the entrance door was again of a relatively lightweight construction and did not close properly at the time of our visit, leaving the common parts vulnerable. It seemed to have been forced at some time in the past. Some of the Applicants said they were afraid to use it. Maintenance of this door is apparently the responsibility of the Second Respondent.
10. At second floor level it was necessary for residents of Camellia House to exit this entrance building to a large open courtyard/garden area planted with shrubs on one side. The courtyard gave access to three buildings, including the Building. We were informed it also gave unauthorised access to children from outside the development over a low wall, across the

courtyard into the Estate common parts, and onto the roof of the adjacent supermarket. None were present at the time of inspection. The Tribunal noted a number of broken tiles on the supermarket roof, which had apparently fallen from buildings nearby.

11. The Tribunal noted that the courtyard was paved and that a number of slabs (marked with white spots by the Applicants) were loose. Opposite each of the main entrance doors to the buildings served by the courtyard was a small cycle park. Some cycles there appeared to have been abandoned for some time. The "garden", was in fact a large plain shrubbery, running the length of one side of the courtyard. This had been pruned quite recently, but was apparently not regularly cared for, judging by the state of the bushes. At the far end of the courtyard was a narrow gangway to a fire escape door from the adjacent building.
12. The main entrance door to block 43- 72 Camellia House, managed by the First Respondent was of again a metal framed glass door of relatively lightweight construction. It looked in better condition than the Estate entrance doors. It was controlled by an entryphone, which appeared to be working. The common parts were plain, and generally in reasonable condition, although the Applicants stated that they had not been repainted since the property was first occupied in about 2006. The carpets were clean. The Applicants expressed concern at hairline cracks in various places, but these appeared to be plaster shrinkage cracks of no structural significance. The Tribunal noted that some of the windows giving access to Juliette balconies in the common parts did not close properly. The Applicants reported roof tiles from the building falling into the courtyard and onto the supermarket roof, also pigeons accessing the roof space, but the Tribunal was unable to gain access to inspect the roof.

Hearing

13. The First Respondent confirmed the following concessions made in its statements of case that although it had carried out litter picking in the courtyard, this item was in fact the Second Respondent's responsibility, for which it had ordered work and charged. The First Respondent thus conceded the following items as duplicated charges.

2012 - £102.57 2013 - £167.70 2014 - £702,

2015 - (Estimate) £172.61.

14. At the hearing the Applicants raised an item "Service Charges Sundry" (£6,623.62) in the 2011/12 account for the first time. The First Respondent agreed that the item seemed unusual, and Ms Matraxia gave an undertaking to the Tribunal to investigate it and report back, as the matter was clearly not part of the application. After investigation Ms Matraxia confirmed that the item should not have been added to the

account, and that reverse entries had been made to the service charge account on 26th January 2015.

15. The Tribunal decided that, even though most of these particular matters had not formally been put in issue by the parties, in this case it would assist the parties to summarise some relevant principles relating to its jurisdiction and the scope of its decision making task, before applying itself to individual issues, as follows;

a) Section 27A empowers the Tribunal to decide if an estimated or final service is reasonable. It is not empowered to order a party to act or manage in any particular way, although it can (and quite often does) share its experience of management and the law with parties to assist them in avoiding further disputes. Nevertheless it is for the landlord to decide on any particular course of action in the first instance, subject always to the possibility that it might have to demonstrate to the Tribunal at some later date that its chosen course was reasonable.

b) The landlord/manager is a trustee for its leaseholder beneficiaries. Thus it is generally for the manager to explain and clarify accounts satisfactorily, not for leaseholder to prove some error without reasonable access to the manager's files.

c) The Tribunal does not have the resources to act as a forensic accountant an unlimited brief, or to comb bundles for evidence which might be there. It is for the parties to know their bundles and set out their submissions and evidence in a sufficiently clear way for the Tribunal to consider them. The Tribunal will then consider and decide upon that evidence. There were particular difficulties in this case, including the lack of a formal statement of case from the Applicants (in breach of Directions), who relied upon a Scott Schedule with summarised comments, which was then amended late in the pleadings process; the complexity of the service charge scheme; the number of documents (10 large ring binders encompassing several thousand pages); lack of a comprehensive page numbering system, and rudimentary indexes (despite the efforts of both Respondents). While the Tribunal has done its best to locate documents, particularly invoices, the state of the bundles has been a major hindrance.

d) As a result of the lack of a formal statement of case from the Applicants, items and issues not mentioned in the Scott Schedule were not considered, unless the Respondents had had a reasonable opportunity to present sufficient evidence, or offered it voluntarily. This was to avoid the danger of the Applicants' case "developing" in oral evidence at the hearing beyond the case the Respondents were ready to answer.

e) The existence of accountants' certificates is not conclusive. The task of an accountant is very different to that of the Tribunal, usually involving general review of internal accounting systems against one or more

professionally recognised standards, and sampling random items of charge. The Tribunal's task is rather different, i.e. it has to decide whether particular items of service charge are reasonably incurred, of a reasonable standard, and charged at a reasonable cost.

f) Service charge accounts must be clear enough to show a reasonable lay leaseholder what has been, or is likely to be, spent against certain customary heads of expenditure, and how the costs have been broken down to the contribution demanded from that leaseholder.

Matters for Decision

Power to charge under the Lease - generally

16. The First Respondent did not itself challenge the right of the Second Respondent to charge in the Headlease, with the exception of the sinking fund initially identified by the Tribunal. That item is dealt with below under the relevant specific item of charge. The Applicants effectively challenged the terms of the Headlease as well as the Lease in most of their objections to those charges passed on to them from the Second Respondent. It is convenient to deal with all these challenges as one item.
17. The Applicants' rights and obligations are primarily set out in the Lease, although it is arguable in respect of some (but not all) charges that if the Second Respondent has no right to charge for an item in the Headlease, then it would be unreasonable for the First Respondent to do so under the Lease. Thus the Applicants' rights to challenge the Headlease are indirect. It should be noted in this context that the repair and charging scheme in this development imposes on the First Respondent independent obligations to repair and maintain the block, and consequent rights to charge for doing so. Its role as an intermediate lessee is not just a passive one.
18. The Applicants challenged the right to charge relating to almost all specific items of charge, but without effectively putting forward any specific argument, either in writing, or at the hearing.
19. The Second Respondent (whose case was dealt with first – see below) referred to clauses 1(2)(a), 3(2)(b), 5(2), 5(3), and 7(5) of the Lease, as well as clauses in the Headlease, which was drafted in quite similar terms.
20. The First Respondent dealt with this matter in detail in its written statement of case. It referred to clauses 1(2)(a), 3(2)(b), 5(2), 5(3), and 7(5) of the Lease giving it power to charge for the items in dispute.
21. The Tribunal considered the evidence and submissions. The Applicants had made a very vague, almost formulaic, challenge to the right to charge.

The Respondents both dealt with this point. The relevant Headlease and Lease provisions are set out below;

Headlease: 25th August 2005

Clause 2 *"In consideration of the Premium the Landlord DEMISES to the Tenant the Premises for the Agreed Term..... PAYING to the Landlord during the Term:*

2.1 the Rent (if demanded) once in every year of the Term; and

2.2 as additional rent:

2.2.1 all other moneys payable by the Tenant under this Lease

2.2.2 the Service Charge (as defined in Schedule 5) in accordance with the provisions of Schedule 5...

Schedule 5

Services means

(i) services in respect of the management and maintenance of the Common Parts the Residential Common Parts and any Conduits serving the Premises including (but not limited to):

(a) inspection, testing, repair, servicing, and maintenance (including replacement of parts where appropriate) to ensure that the same are in good and substantial repair and condition;

(b) cleaning and refuse disposal;

(c) keeping the Common Parts and/or the Residential Common Parts adequately cleansed and lit;

(d) carrying out such works and taking such other action as may be appropriate in order to comply with the lawful requirements or recommendations of an insurer or an Authority;

(e) pedestrian control and the preparation and enforcement of Regulations; and

(f) insurance of plant and equipment and such other insurance relating to the management of the Common Parts and/or the Residential Common Parts as the Landlord (or the Superior Landlord, as may appropriate) may reasonably consider prudent;"

Lease: 17th November 2006

Clause 1(2)(a) “ the Common Parts means the entrance landings staircases any communal aerials or entry-phones and other parts (if any) of the A2 Flats appurtenant to it which are intended to be or are capable of being enjoyed or used by the Leaseholder in common with the occupiers of the other A2 Flats”

Clause 3(2)(b) “To pay the Service Charge in accordance with clause 7...”

Clause 5(2) “To Repair the A2 Flats

That subject to payment of the rent and service charge and except to such extent as the Leaseholder or the tenant of any other part of the A2 Flats shall be liable in respect thereof respectively under the terms of this underlease or any other lease) the Landlord shall maintain repair improve redecorate and renew

5(2)(a) the roof and main structure of the A2 Flats and all external parts thereof including all external and load-bearing walls the windows and doors on the outside of the flats within the A2 Flats (and the glass in any such doors and windows and the interior surfaces of walls) and all parts of the A2 Flats which were not the responsibility of the Leaseholder under this underlease or of any other leaseholder under a similar lease of other premises in the A2 Flats

PROVIDED ALWAYS the Landlord shall redecorate as necessary the outside door of the Premises

5(2)(b) the pipes sewers drains wires cisterns and tanks and other gas electrical drainage ventilation and water apparatus and machinery in under and upon the A2 Flats (except such as serve exclusively an individual A2 Flat and except such as belong to British Telecommunications Plc or any public utility supply authority)

5(2)(c) the Common Parts

5(3) To Clean and Light Common Parts

That subject aforesaid and so far as practicable the Landlord will keep the Common Parts of the A2 Flats adequately cleaned and lighted

7(2) Leaseholder’s Covenant to Pay Service Charge

The Leaseholder HEREBY COVENANTS with the Landlord to pay the Service Charge during the Term by two equal half yearly instalments in advance on the 1st April and 1st October in each year....

7(3) Calculation of Service Provision

The Service Provision in respect of any Account Year shall be computed in accordance with Clause 7(4)

7(4)...

7(5) Expenditure to be included in Service Provision

The relevant expenditure to be included in the Service Provision shall comprise all expenditure reasonably incurred by the Landlord in connection with the repair management maintenance improvement and provision of services for the A2 Flats and the Common Parts and shall include (without prejudice to the generality of the foregoing):

7(5)(a) the costs of and incidental to the performance of the Landlord's covenants contained in clauses 5(2), and 5(3), and 5(5)

7(5)(b) the costs of and incidental to compliance by the Landlord with every notice regulation or order of any competent local or other authority in respect of the A2 Flats or the Common Parts

7(5)(c) all reasonable fees charges and expenses payable to the Surveyor any solicitor accountant surveyor valuer architect or other person whom the Landlord may from time to time reasonably employ in connection with the management or maintenance of the A2 Flats including the computation and collection of rent (...) including the cost of preparation of the account of the Service Charge and if any such work shall be undertaken by an employee of the Landlord then a reasonable allowance for the Landlord for such work

7(5)(d) ...

7(5)(e) any insurance cover the Landlord may effect in relation to the Common Parts

7(5)(f) any interest paid or any money borrowed by the Landlord to repay any expenses incurred in connection with the repair management maintenance and provision of services for the A2 Flats and the Common Parts

7(5)(g) the cost to the Landlord of complying with the obligations on its part contained or referred to in the Head Lease and/or Superior Lease."

22. The Tribunal decided that the lease terms were very widely drawn and gave the Respondents power to charge for all the items in dispute.

Scope of Cases to be answered

23. Both Respondents drew attention to the Applicant's failure to particularise their case, and the extensive case law relating to vaguely pleaded cases.

The Applicants appeared to have very limited understanding of this issue. The Tribunal has already set out at paragraph 15c) above as to how it has decided to deal with this issue.

Prior Agreement affecting certain Flats

24. The Tribunal records that in relation to the year ending 30th June 2011 the lessees of Flats 44, 55, 64 and 66 are debarred from the benefit of any finding made by the Tribunal by virtue of a Settlement Agreement dated 15th June 2011.
25. Specific Items - The Tribunal decided to deal with specific items of charge in issue item by item, following the Scott Schedules completed by the parties, taken in the case of the Second Respondent from the Schedule attached to the skeleton argument prepared by Mr Pandit dated 9th December 2014. In the case of the First Respondent the Tribunal used the relevant part of the Scott Schedule on pages RTrib 158 to RTrib 177 in the bundle. To avoid repetition, recurring items of charge over several years have been dealt with as one item. For each item, the relevant parties' submissions have been summarised, with the Tribunal's decision following immediately afterwards. It is convenient to follow the order used at the hearing, starting with the "common parts" charges of the Second Respondent, as these charges then reappear in the First Respondent's charges for the building. The Tribunal found the typeface in copy offered by the Second Respondent too small to use as a summary of its findings, but the typeface in the copy offered by the First Respondent was much larger, so the Tribunal has used a copy as a summary, which is attached hereto as Appendix 2.
26. Second Respondent's Charges 2010 – 2015 (based on final demands for the years 2010 – 2013 (NB Service charge year ends on 30th June, the totals in the service charge are for the Estate, and the sum payable by the First Respondent is made up by the contributions of individual underlessees according to their leases)

a) Cleaning Communal areas

For 2010/2011 this item was agreed (see agreement above). For 2011/12 (£8,381.47) the Applicants complained that the service was of a poor standard, and there were no invoices. There was email evidence of serious complaints being made about the service in 2011, and an adverse report from Claire Geoghagan of the First Respondent. They valued the service at 20% of the demand.

The Second Respondent referred only to the charging clause in the Headlease. No invoices were located in the bundle.

For 2011/12, the Tribunal decided that without invoices the whole charge was unreasonable, but it accepted the Applicants' estimate (calculated by Tribunal at £8,381.47 x 20% = £1,676.29). For 2012/13, the same submissions applied. The Tribunal again noted lack of invoices. It therefore accepted the Applicants' estimate (calculated by Tribunal at £5,366.29 x 20% = £1,073.26).

b) Water and sewerage 2010 -2013

The Applicants did not specifically challenge these costs, but demanded that separate invoices be provided for the Building and the Estate.

The Second Respondent did not formally mention this item.

The Tribunal decided from the evidence that the Applicants' submission was misconceived. The water meters relating to water consumed in respect of the Common parts of the Estate were not measuring water consumed by the Block. The First Respondent was charged directly by the water utility company by reference to the meter in the Building. There was a separate dispute with the First Respondent (noted below) over that meter, but this was not a matter affecting the Estate meters. The Tribunal decided that the sums demanded were reasonable and payable.

c) Gardening (described as Landscape Main) 2011 – 2015.

For 2010/2011 this item was agreed (see agreement above).

For 2011/12 the Applicants submitted that the sum was incorrectly demanded as the shrubs were newly planted. They offered 10% of the sum demanded. At the hearing, the Second Respondent explained that the sum concerned was for pruning in the courtyard.

The Tribunal noted that some invoices were in the bundle showing amounts for monthly cleaning of £76.45, totalling £917.40. The sum demanded was £1,613.32. The Tribunal decided to allow £917.40 only.

For 2012/13 the sum demanded was £866.38. The Applicants' only challenge was that the sum was not chargeable under the Lease (dealt with above). The Tribunal allowed £866.38 as reasonable and payable.

The estimates demanded for 2013/14 and 2014/15 were £2,000 and £1,286 respectively. The Tribunal considered that these figures were quite high, but noted that the final annual accounts were due soon. It decided to allow these sums as reasonable and payable, because when the final service charge was issued, adjustments would be made in the accounts based on the final figures.

d) Electricity 2010 - 2015

The final demand figures were 2011 - £6,941.72; 2012 - £3,725.20; 2013 - £4,243.35; the estimated figures for 2014 and 2015 were £3,700 and £500. Again the Applicants demanded separate invoices for their block and the Estate.

Again the Respondent made no formal reply.

Again the Tribunal decided that the Applicants' submission was misconceived, and for the same reasons. The Building had its own communal electricity meter. It decided that the sums demanded were reasonable and payable. The Tribunal noted in passing that the Second Respondent might consider reading the meters once a year to check the charges being made, if it does not already do so.

e) Repairs and maintenance 2010 – 2013

The figures were; 2011 – £1,361.95; and 2012 and 2013 – Nil. The Applicants submitted the charge in 2011 was not permitted by the Lease, as the cost related to damage to the main door by intruders which should be covered by the NHBC guarantee.

The Second Respondent referred to clause 5(2) and 7(5) of the Headlease (to the First Respondent) for authority to charge.

The Tribunal accepted the Second Respondent's submission on the power to charge. It also decided that the Applicants' submission was again misconceived. Items covered by the NHBC agreement were primarily structural defects. Repairs to the door were not within that category. The Tribunal noted that this item in other years had not been charged. The Careline monitoring fees (£268.08) in 2010/11 were in fact an out of hours answering service which should be included in the general responsibilities of a managing agent. While it was up to the agent to decide how to provide that service, it could not charge for it. The Tribunal decided that the sum of £1,361.95 minus £268.08 (£1,093.87) was reasonable and payable.

f) Lift Maintenance and Repair 2010 – 2015

The figures were; 2011 - £1,322.45; 2012 - £2,416.83; and 2013 - £2,065.52. The estimated figures were; 2014 - Nil; 2015 - £2,550.

The Applicants submitted that this charge was incorrectly demanded, but with no further explanation. Also they submitted that this was a new building covered by an (unspecified) warranty, and they demanded invoices.

The Second Respondent referred to clause 7(5)(g) of the Headlease for authority to charge.

The Tribunal accepted the Second Respondent's submission on the terms of the Headlease. The Applicants' warranty claim was too vague to consider. There was evidence of the charges in the bundle, although the audit trail was incomplete. However this evidence appeared to show an undercharge in favour of the Applicants. The Tribunal decided that the charge was reasonable and payable as demanded.

g) Audit Fees (Accountancy) 2010 – 2015

The figures are; 2011 – £599.99; 2012 – £606.60; 2013 – £624. The estimated figures are 2014 – £649; and 2015 - £649

The Applicants demanded invoices.

The Respondent referred to clause 7(5)(g) of the Headlease for the power to charge, and explained that the "internal" fees were incurred in preparing the accounts to the point where the external auditors could consider them, as this was considered more economical than just handing over the accounts without preparation. There were, however no invoices for this internal work found in the bundles.

The Tribunal noted that there was evidence of the external auditor's costs. It decided to reduce the auditing charges by the amounts of all the internal charges. There were no invoices, and in any event, the work done appeared to be work which the Second Respondent should have done to organise the accounts, even for its own purposes. Again this should be reflected in the general management charges. The Tribunal therefore reduced the charges to: 2011 – 393.60; 2012 - £405.60; 2013 – £405.60, and the estimates to 2014 – £405.60, and 2015 - £405.60.

(h) Management Fees 2010 – 2015

The figures were 2011 - £1,787.81; 2012 - £1,806.62; 2013 - £1879.20. The estimated figures were 2014 – £1,957 and 2015 - £1,957.

The Applicants submitted that the management fees were unreasonable in the light of all the issues in dispute, and submitted that they should only pay 20% of the demands.

The Second Respondent referred to the terms of the Headlease.

The Tribunal considered the evidence. While there was no formal management agreement, the actual cost was about £30 per unit per year. The invoices were missing. Nevertheless, it was clear a considerable amount of work was being done and the charge made was very low for this type of work in West London. The Tribunal found the Applicants' "estimate" much too low, in the light of the evidence. In all the

circumstances the Tribunal considered that the charge made was reasonable for all years in question.

(i) Legal Fees (described as Accountancy and Audit) 2010 – 2015.

The figures were: 2011 - £90; 2012 - £68, 2013 - £31, The estimated figures were 2014 – Nil; 2015 - £150

27. The Applicants again submitted that the fees were unreasonable and they should only pay 20% of the demands.
28. The Second Respondent submitted that this item in fact related to fees paid to HM Land Registry for official copies of the title. There was evidence of the items in question.
29. The Tribunal decided that there was sufficient evidence of the charges in the bundle, and allowed this item in full.

(j) Refuse Bins 2010 – 2015

The figures were; 2011 - £2,577.82; 2012 - £2,448.57; 2013 - £2,915.77. The estimated figures were; 2014 – Nil, 2015 – Nil.

30. The Applicants demanded an explanation of the costs and invoices. They proposed to pay only 15% of the charge for each year in dispute.
31. The Second Respondent referred to the terms of the Headlease. In oral submissions the Respondent explained that the number of bins was calculated by the Council. The actual cost for this work related to rotation of the bins during the week.
32. The invoices showed that the cost was made up of a proportion of staff salaries, and occasional “special” removals. The Tribunal considered that if the cost actually related to the cost of rotating the bins, it seemed expensive. Against that, the Applicants had no alternative quotation to support their figure, and a significant part of the problem with the bins was that some residents of the blocks using this area were not co-operating with the Respondent, and fly tipping their rubbish. The limit on the bins was set by the Council, not the Respondent, unless it decided to make an extra charge to the residents for more bins. The Tribunal decided that despite the problems, the charge made was reasonable, and the Applicants had not satisfied the Tribunal on the evidence that Second Respondent should be penalised for that state of affairs

(k) Insurance 2010 – 2015

The figures were 2011 – £5,960.44; 2012 - £82.36; 2013 - £6,932.31; and the estimated figures were; 2014 – Nil; 2015 - £500

33. The Applicants submitted that separate invoices should be submitted for the Building and the Estate, and queried the terms of their ability to claim. In essence this appeared to relate to whether an excess should be charged.
34. The Second Respondent referred to the power to charge in clause 5(2)(b) of the Headlease and explained the excess charge.
35. The Tribunal noted that there were no invoices and some schedules were missing from the bundle, but that was not the point in issue, which seemed to be whether the Applicants could make claims on the insurance. There was evidence that such a claim had been made and met, which was evidence that a policy existed. The Tribunal considered that an insurance excess for a claim was normal for this type of insurance. The Applicants produced no comparable evidence of premiums. The Tribunal decided that the Second Respondent had power to charge under the Headlease, and the Applicants' demand for separate invoices was misconceived. The amounts demanded seemed quite strange, with what looked like a biennial charge. The Tribunal eventually decided that the charges for all years were reasonable and payable in the light of the Applicants' actual challenge, with the exception of 2012, with not only no invoice, but no explanation. The sum demanded must be an error of some kind. The Tribunal deducted £82.36 for that year.

(1) Reserve Fund, all years in dispute (both leases)

36. The Applicants submitted that no reserve fund should be charged, and that any funds collected to date be repaid to them with interest since 2007. They claimed that they had not been informed by the First Respondent that they were paying towards a reserve fund, and the First Respondent was in breach of its duty in paying the contribution to the reserve fund demanded by the Second Respondent. The Applicants saw no good reason why a reserve fund should be demanded, as it increased their annual costs.
37. The Second Respondent agreed that there was no power to charge contributions to a reserve fund under the Headlease, but submitted that the omission was a clear error in the lease, when compared with the other leases. The Tribunal should interpret the Headlease to include a reserve fund. Mr Pandit also referred at the hearing to the dangers of loss of control over the fund, and increased costs of administering the fund.
38. The First Respondent referred to its power to charge and use contributions under the Lease (clauses 7(4)(b) and 5(2)(a)) and submitted that after consideration, it would like the Tribunal to order the return of the sums already paid to the Second Respondent in error, which it would hold for the benefit of the Applicants.
39. The Tribunal considered the evidence and submissions. It considered that the Applicants' submissions were deeply flawed. It was clear that the First

Respondent was entitled to demand contributions to a reserve fund under clause 7(4)(b) of the Lease. It was a contractual term, and the Applicants could not reasonably state that they had no knowledge of their underleases. While it seemed clear that the First Respondent had passed the amounts for the reserve fund on to the Second Respondent in ignorance of the Headlease, The Second Respondent freely admitted it retained the money as a reserve fund, and had accounted for it, even presenting a statement to the Tribunal. The Applicants had suffered no damage as a result of these payments. The Applicants' claim to recover the money themselves was fraught with legal difficulties raised by trust law, and was against the terms of the Lease. The Tribunal rejected the Applicants' submissions.

40. The Tribunal then considered the Second Respondent's submissions that there was an error in the Headlease. While it was true that the occupational leases in the Building had provision for a reserve fund, and that leases of other blocks might contain such a term, these facts alone were not sufficient to establish that an error had occurred. The Tribunal could see no reason why the administration costs would increase, and no specific reason was offered. As to the control issue, the First Respondent is a social landlord, and entitled to levy a service charge (including a reserve fund) of its own relating to the Building. The Tribunal decided that on the facts of this case, it was also reasonable for it to hold a reserve fund against demands from the Second Respondent, to alleviate the effect of substantial increases in charges in particular years for non-recurring, or seldom recurring, items of repair. Indeed it could be argued that the Respondent would be failing in its duty as a trustee not to demand and hold such a fund against the danger that when non-recurring work was done, the cost demanded would fall unfairly on its underlessees for the time being, who would in effect be subsidising the costs of their predecessor and successor underlessees.
41. The Tribunal therefore decided that the First Respondent was entitled to charge the reserve contributions it had demanded for all years in dispute from the Applicants. Further, the Tribunal decided that the Second Respondent was not entitled to charge the reserve contributions it had made on the First Respondent for those years. Thus the sums concerned should be repaid to the First Respondent, to hold it as trustee for its underlessees.

m) Health and Safety Costs 2011 - 2013

42. The Applicants demanded details of the charges for 2011/12 (£144.16) and 2012/13 (£540).
43. The Respondent submitted that this charge only related to the lessee of Flat 21 who had withdrawn his application.

44. The Tribunal considered that the charge was included in the charge to the First Respondent which had passed it on to the Applicants. The Tribunal noted that some Health and Safety inspections on an estate of this size and complexity would be required by law. The Tribunal decided that this charge was reasonable and payable.

n) Plant and Machinery maintenance 2011-2015

45. The Applicants demanded details.
46. The Second Respondent submitted that this charge only related to the lessee of Flat 21 who had withdrawn his application.
47. The Tribunal decided that as this charge was not charged to the remaining Applicants, there was no need to rule on this item.

o) Fire Equipment 2011/12 (£348)

48. The Applicants demanded separate invoices for the Building and the Estate.
49. The Second Respondent referred to the terms of clause 7(5)(g) of the Headlease for the power to charge, but did not address the Applicants' complaint.
50. The Tribunal decided that again the Applicants' demand was misconceived. This item related to an Estate item, not to an item in the Building. The charge seemed reasonable and payable.

p) Door entry 2012 and-2013

The figures were: 2012 – £111.70; and 2013 - £2,902.20.

51. The Applicants' only challenge was whether this item was chargeable under the Lease. This has been decided above.
52. The Tribunal decided that the charges were reasonable and payable.

q) General Repairs 2011 - 2015

The figures are: 2012 - £6,899.55 (minus £390.62 according to p. 946 of Respondent's bundle); 2013 - £3,787.38; (Estimates) 2014 - £8,570; 2015 – £4,000

53. The Applicants demanded explanations as to this cost and supporting invoices.
54. The Second Respondent referred to clause 5(2) of the Headlease.

55. The Tribunal considered that the demand for an explanation of this item was too vague to answer in detail, particularly as the invoices were in the bundle. However the Tribunal noted that an invoice included for 2013 related to flooding in the neighbouring car park. The lease plans appeared to show that the car park was not part of this Estate, thus the Tribunal decided that that charge for £562.80 was not reasonable. All the other charges were reasonable and payable.

r) CCTV 2012 – not identified; 2013 - £4,450; 2014- Nil; 2015 Nil

56. The Applicants submitted that they had not been notified of the installation, or that it was in working order.

57. The Second Respondent referred to lease of Flat 21 for the power to charge.

58. The Tribunal decided that the Respondent's submission was clearly in error, as the charge appeared in the column on the Schedule chargeable to this Headlease. The Tribunal had observed what appeared to be a CCTV system in need of repair or additional work during its inspection. The system, when operational, would be for the benefit of the Building as well as other parts of the Estate. The power to charge has been decided above, but as the system was not completed more than 18 months after it had been charged for, the Tribunal decided that any charge for 2013 was unreasonable, and would remain so in later years until the system had been satisfactorily completed.

s) Linked site charges 2011 – 2015

The figures were; 2011 – £28.21; 2012 - £1,565.79; 2013 - £1,449.34; (Estimates) 2014 - £2,314; 2015 - £1,350.

59. The Applicants required clarification of this item.

60. The Second Respondent explained that the charge was levied by the Head landlord for works done relating to the whole development, a part of which the Second Respondent was entitled to charge the First Respondent.

61. The Tribunal considered the explanation to be clear. The Applicants had raised no further issue. The Tribunal therefore decided these charges were reasonable and reasonably incurred.

t) Pest Control 2012/13 (£292)

62. The Applicants demanded invoices, and referred to an ongoing infestation of cockroaches on the estate.

63. The Respondent submitted this item again was relevant to Flat 21.

64. The Tribunal noted that again the cost had appeared on the charging schedule relevant to this block. Nevertheless the Applicants had agreed that there was a problem. The Tribunal decided that the cost was reasonable and payable.

u) Prior Year Adjustment (2013); £1,604.97

The Applicants made no challenge to this item on their Scott Schedule, and accordingly the Respondent made no reply. The Tribunal therefore made no finding, which leaves this matter open.

First Respondent's Charges 2010 – 2013 based on final demands per specimen lease of Flat 64 Camellia House, dated 25th August 2005 (the Lease)– (NB Service charge year ends 31st March)

65. Second Respondent's charges 2010 – 2105 (2011 - £17,917.22; 2012 - £8,408.61 and £10,559.60; 2013 - £17,917.22; (Estimate) 2014 - £17,917.22; 2015 - 20,161.29). The Applicants considered the charges were for management. They submitted this item was not covered by the Lease, and that it was too high for the service provided to the block. Relating to 2011/12 they submitted that the additional item was a double charge. They demanded invoices and proposed to pay 20% only.
66. The First Respondent explained that the charges were the Second Respondent's costs for management of the Estate. They supplied invoices. The power to charge was in clauses 3(2)(b) and 7(5)(g) of the Lease, which allowed the Respondent to levy a charge on the Building, and demand a contribution from the Applicants for the costs of services reserved by the Headlease and Superior Lease. It was not a double charge
67. The Tribunal notes that it has decided this item was reasonable, in relation to the Second Respondent's charges, (see paragraph [17??] above). It would be capricious not to allow these charges when they were passed on to the Applicants. The Tribunal thus decided that the charge was reasonable, and reasonable in amount. The First Respondent agreed in reply to questions from the Tribunal that its annual service charge demands to the Applicants, had merely passed on a global sum described as "External Managing Agent Fee" relating to the Second Respondent's costs and management charge, but with no further details. It also conceded that there was insufficient detail supplied in the demands to decide whether that charge was reasonable. That particular issue showed a lack of information, rather than accounting. In essence it was a matter of presentation, to be addressed by the First Respondent.
68. Cleaning 2010 -2015 - (2011 - £4061.19, 2012 - £4171.53; 2013-£4109.61; the Estimates for 2014 and 2015 were considerably less than actual

charges for previous years. The Applicants submitted that standard was poor, and proposed 20% of the charge. They wished to see the invoices. They considered that the cleaners were only signing the sheets, but not doing the work.

69. The Respondent submitted that the charge was based on a specification of the works allowing for weekly cleaning, and offered invoices. The figure for 2013 had been misdescribed as Grounds Maintenance, but was valid.
70. The Tribunal considered the evidence. From inspection it appeared that the block was better maintained than the second Respondent's area. There appeared to be no serious failings in the work, although it was not perfect. The invoices were present, and there were reports from the First Respondent's own staff commenting on their inspections. The Tribunal also considered the actual cost, which worked out to £77.18 per week, which indicated the likely cost for seven hours, for cleaning five floors. The Tribunal decided that the price was reasonable and payable for all years in dispute, less the concession of £167.70 made by the First Respondent.
71. Lighting & Electricity 2011-13 plus estimates for 2014 and 2015 (2011-£1,327.44, 2012 -£328.20 and £541.41, 2013 - £380.53; (estimates) 2014 - £ 2,900; 2015 £2,900). The Applicants submitted that Respondent should provide separate invoices for the Building and the Estate. Relating to the 2013 charge and 2014 estimate, it was objected that many lights had been burning continuously.
72. The First Respondent explained that the charge was for the Building meter, and the Second Respondent charged separately for the Estate. The costs were reasonable and reasonably incurred. Invoices were supplied.
73. The Tribunal decided that the Applicants' main demand for invoices had been adequately answered. Relating to 2012 - (£328.20 and £541.41, at R739 onwards in the bundle, the Tribunal considered these invoices were very difficult to interpret, as they comprised part of a larger charge, and very briefly described. In 2013, the invoices did not add up to the amount charged, but since the charge was low compared with earlier years, it seemed reasonable. On balance, the Tribunal decided that all these charges were not unreasonable, given the extent of the common parts. Relating to the complaints in 2013 and 2014, the Respondent submitted that it had investigated and rectified faults. It appeared from the invoices that the Respondent was managing the service to reduce costs. The Tribunal decided that the final charges were reasonable and reasonably incurred, and allowed them in full.
74. Relating to the electricity estimates for 2014 and 2015, the Tribunal noted that the estimates were very high, but no reason for this increase had been offered. The Tribunal therefore decided to reduce the estimates for each

year by £1,900. Once the final accounts are issued, any party is entitled make a further application to the Tribunal.

75. Water charges 2011 – 2015 - (2011 – £2,769.17, 2012 – £10,972.95, 2013 - £7,409.61; (estimates) 2014 – £6,443.60; 2015 – £253.23). The Applicants demanded separate charges for the block and Estate. At the hearing the Applicants referred to the fact that they considered each flat had its own water meter, and submitted that they should be charged individually for water, particularly since some Applicants lived alone.
76. The Respondent submitted that they had supplied the invoices for the Building meters. Its staff who were present at the hearing were unable to verify or deny the Applicants' claim.
77. The Tribunal noted that the invoices were present, but also that the charges varied very markedly from year to year. The Tribunal decided that for the years 2011 – 13, the charges were reasonable, in the light of the original challenge and the evidence, with the exception of one invoice in 2013 which had been “booked” as £910.80, but in fact was for only £652.80. The Tribunal decided that only the sum of £652.80 was reasonable for that item, and deducted £258.
78. The Tribunal decided to make no finding on the estimated amounts charged for 2014 and 2015. The difference in the estimated amounts looked quite strange. In the light of the likely significant variations in consumption between flats, the First Respondent should carry out an inspection, and if it transpired that all flats had individual meters which were connected, it should move to charging on an individual basis. Any necessary alterations in charges for individual flats could be taken into account in the relevant final accounts. If it transpired that only some individual flat meters were connected, then the First Respondent should consult with the Water supply company and the leaseholders on what was possible or desirable. The Tribunal notes that the matter is one for decision by the First Respondent as Landlord, acting reasonably, and that if the matter cannot be agreed, any party affected may apply to the Tribunal for a determination.
79. Entryphone 2011 (charged under “security systems” in 2012 onwards) - £3,259.76 – The Applicants submitted that this item was continuously faulty.
80. The system being charged for was the block system controlled by the First Respondent, not the Estate system, charged for by the Second Respondent. Repairs had been necessary to the block system in this year, including the replacement of a handset. Invoices were supplied.
81. The Tribunal considered the evidence. The arrangement was confusing, with some of the charges being invoiced by the Second Respondent. In the end, the Tribunal was only able to find three relevant entries in the

accounts, one for £1,586.83, and two for £90 each, totalling £1,766.83, but there were no invoices for £1,492.93 of these charges. The Tribunal decided to reduce the charge to £1,766.83.

82. Security systems 2012 – 2015 (2012 - £1,206.71, 2013 - £2,059.80 (estimates) 2014 - £2,020.80; 2015 - Nil). The Applicants submitted that £5,983.15 had been charged for this item in 2012, and had been charged twice. They demanded invoices. They claimed there was no security system.
83. The First Respondent submitted that the figure given by the Applicants was in error. In fact the final charge was a minus quantity. It was a credit given to the leaseholders. No charge was made to the leaseholders in 2012 or 2013.
84. The Tribunal considered the evidence. The Respondent's explanation on Scott Schedule was confusing. It referred to a minus item (i.e. credit) credit given to leaseholders of £5,893.15, but the items mentioned appeared to relate to other years. The Tribunal accepted those invoices found on examination of bundle, but these only totalled £966.79. The Tribunal therefore decided that £966.79 was reasonable for 2012. For 2013, £2,059.80 appeared to have been charged, but the invoices only totalled £1,865.76. The Tribunal decided that only £1,865.76 was a reasonable charge.
85. Lift Servicing 2011- 2013 (2011 -£132.10; 2012 -£227.26, 2013 - £402.49; (estimates) 2014 - £979.20; 2015 - £1,224). The Applicants submitted that the lift was still under warranty. Further the cost in 2013 had increased by 70% to £960. They demanded invoices to support the charge.
86. The First Respondent submitted that the figure of £960 for 2012 was from the annual estimate. In fact a lesser figure of £227.26 was actually charged.
87. The Tribunal considered the evidence and submissions. The charge for 2011 was supported by an invoice. The Tribunal allowed the charge in full. The 2012 invoices were confusing but added up to the charge. The Tribunal allowed the charge in full. The 2013 invoices added up to considerably more than the charge. The Tribunal thus allowed the charge of £402.49 in full, as it was reasonable.
88. Door repairs 2011 – 2013 (2011- £2,728.84, 2012 and 2013 – not challenged)
89. The Applicants submitted that the work should be covered by the NHBC guarantee on the premises
90. The First Respondent submitted that NHBC certificates are issued to individual properties, not common parts

91. The Tribunal noted that the Applicants provided Invoices for only £863.16, despite the charge being for considerably more). The Tribunal accepted the Respondent's submissions on the power to charge, but allowed £863.16 only as being reasonable.
92. Pest Control 2011 - £1,498.13
93. The Applicants only challenged the right to charge in the Lease. (see decision previously on this point)
94. The First Respondent submitted that birds and their fouling had to be removed from the block loft, and mesh proofing installed.
95. The Tribunal accepted the Respondent's submissions. The Lease was widely drawn. The Applicants had not queried whether the charge was reasonable in the Scott Schedule. The Tribunal noted that the invoices were present. It decided that the charge was reasonable and payable by the Applicants.
96. Refuse Disposal and Noticeboard 2012. The Applicants formally challenged certain other items only as to whether they were chargeable under the Lease, e.g. Bulk Refuse disposal (2012 -£50), the noticeboard (2012-£29.38), but did not give reasons for their challenge. The invoices were present in the bundle, and the relevant Lease clauses were discussed previously above. The Tribunal accepted the Respondent's submissions and decided that these charges were reasonable.
97. Fire appliances, and systems maintenance 2011 - 2015 (2011 - £18,295.02; 2012 - £1,293.36; 2013 £4,378.45; (estimates) 2014 - £1,285; 2015 - £2,611.20). the Applicants demanded separate invoices for the Building and the Estate. At the hearing they stated there were no alarms in the Building.
98. The First Respondent submitted that the charge was for this Building only. In 2011 it had done extensive replacement work and servicing to the fire appliances and systems, including a block fire risk assessment, replacement of the fireman's switch to the smoke vent, replacement of smoke heads, and locks to the fire appliances. The lessees had been given a credit of £13,806.27 on 14th June 2012 relating to this work. Invoices were supplied. In reply to questions, Ms Matraxia agreed that some invoices were missing
99. The Tribunal noted that it could only discover invoices totalling £14,402.52 for the 2011 work. It decided that in the light of the evidence before it, the sum of £14,402.52 only, was reasonable for this work. However the First Respondent has given the credit of £13,806.27 noted above. Thus the total sum due from the Applicants was £596.25

100. Relating to the 2013 work, the Tribunal noted that the invoices added up to considerably more than the charge demanded, thus it decided that the sum of £4,378.45 was reasonable.
101. Relating to the estimates, the Tribunal decided that both these items seemed within the parameters of reasonableness, and were therefore payable.
102. Communal aerials 2011 – 2015 (2011 - £763.75, 2012 - £504 and £216; 2013 – Nil; (estimates) 2014 - £1,200; 2015 - £1,248) – The Applicants again challenged relation to 2012 that the system was faulty.
103. The First Respondent referred to the Lease clauses as noted above. Relating to the 2012 charge, the Respondent noted that there had been only two call outs, which did not suggest a faulty system.
104. The Tribunal agreed that two call outs in such a large block suggested that the whole system was not faulty. The estimated charges seemed quite high, but the challenge itself was vague. On balance, the Tribunal decided to allow all the charges as demanded.
105. Building Fabric Maintenance 2011 (£141) - The Applicants only challenged whether the cost was recoverable under the Lease.
106. The First Respondent referred to the Lease clauses as noted above.
107. The Tribunal accepted the Respondent's submission on the power to charge. The Tribunal could not satisfy itself that it had found the relevant invoice. While possibly part of invoice at R886, no breakdown was provided. If a challenge had been made in the Scott Schedule to the actual charge, the Tribunal would have disallowed it, but in the absence of that challenge, the Tribunal decided to allow it.
108. Management fees – 2011 – 2015 (2011 – 13, £175 per unit per year; (estimates) 2014 and 2015 - £180), plus Audit fee of £10.20 per unit per year in all years) – The Applicants demanded invoices and that the sum charged should be reduced to 20% of the sum demanded. They considered the amount charged too high for the service provided.
109. The First Respondent referred to the LVT decision LON/00AJ/LSC/2008/0015, which had accepted the Respondent's charging method. It considered that a reasonable level of service had been provided.
110. The Tribunal considered the evidence. There was considerable discussion of this issue at the hearing. The Tribunal initially considered that the cost seemed very reasonable for the service provided, however as it examined the accounts it concluded that although significant management was

occurring, some aspects were unsatisfactory, particularly on the accounting side. There appeared to have been no significant investigation of the Second Respondent's management at any stage. Apparently those figures were merely passed on as a total figure without comment, despite the issues identified by the Applicants, and considered by the Tribunal (above). Also some urgent issues were apparently being ignored, or left to the Applicants reporting them e.g. reports of tiles blowing off the main roof. The picture which emerged from the documents was that the First Respondent's staff handling the management were working at the upper limits of their capacity and experience, with inadequate supervision of their output. A particularly clear example was the response to the Scott Schedule in this case. Despite many comments that invoices were present, the Tribunal's examination showed that many invoices were missing, or not in the correct place in the bundle. (a problem also noted by Ms Matraxia when presenting the First Respondent's case), The bundle showed all the problems of being prepared by inexperienced staff without checking before being sent out. As for the audit fee, if the accounts were not qualified (and they were not), the Tribunal can only assume that the auditors had been given more information than was before the Tribunal. In the circumstances the Tribunal decided to reduce the First Respondent's management fee chargeable to the Applicants for all years by 50%, i.e. to £87.50 per unit plus VAT, except for 2014 and 2015. These were allowed in full to encourage the First Respondent's prospective improvement in performance.

111. The Tribunal decided not to reduce the audit fee, as the auditors were not present to explain their methods, nor did the Tribunal have details of their instructions, or the extent of their testing. The fees seemed reasonable and payable.
112. While not forming part of its decision, The Tribunal considers that an appropriate response to the Tribunal's concerns noted above, would be to increase supervision, which might increase management costs, but a higher cost for producing accounts which are in order is more reasonable than a lower cost for these accounts which the Tribunal has often found inaccurate, and impenetrable without expert experience and detailed knowledge. The method of accounting to leaseholders clearly and effectively for such a complex service charge arrangement as the one under consideration, needs to be reconsidered from first principles. The Second Respondent may need to assist in this consideration, to avoid further disputes with leaseholders. It is in the interests of all parties that reasonable expenditure made in good faith is legally and promptly recoverable from those who have to bear the cost.
113. Communal Repairs (2013 - £2,672) – the Applicants required separate invoices for the Block and the Estate.

114. The First Respondent submitted that the work done related only to the Building. It related to a new fire door and 32 call-outs. The cost was reasonably incurred.
115. The Tribunal could find no invoices. The Tribunal agreed with the submission that if the work was done it would relate only to the Building, but without invoices, it decided that the charge was unreasonable.
116. CCTV (Access Control) 2015 - £180 – The Applicants submitted that there was no CCTV.
117. The First Respondent submitted that this item had been miscoded. In fact it was access control, and was reasonably incurred.
118. The Tribunal noted from its inspection that there was access control. It decided to allow the estimated charge in full, now that it had been explained.
119. Warden Service -2015 (£549.24) - The only challenge was over the terms of the Lease. The Tribunal has dealt with this item above, and also noted that this service relates to out of hours foot patrols. Again it decided to allow this estimated charge in full.
120. Sewerage, Plant and Pumps 2015 (£648) – Again the only challenge was over the Lease terms, which was dealt with above. The Tribunal decided that the estimated amount was reasonable and payable.
121. Utility Fee 2015 (£25) – Once more the only challenge was over the Lease terms. The First Respondent submitted that the charge related to the cost of “administering personal utility charges”. The Tribunal decided, on balance, that since this estimated item was a new charge, and the explanation was too vague, it should disallow this charge entirely. If a satisfactory explanation and invoices are offered on production of the final annual account, then the Tribunal might well allow it.

Fees and Costs – Section 20c application

122. The Applicants made a Section 20C application to limit the costs of the Respondents which could be added to the service charges. They considered that the Respondents had failed to engage with them in response to their complaints. The matter could have been settled in 2012. Even now they did not know what they were being charged for. The Applicants had had to take time off work to attend the hearing.
123. Both Respondents resisted the application. The Second Respondents considered their charging structure was clear, and that they had been put to much trouble and expense. The Applicants were difficult to deal with and their case was not particularised well. They had amended the Scott Schedule

after it had been answered. It was entitled to collect these charges through the Lease. The First Respondent considered that it was entitled to collect these charges through the Lease. The Applicants had made no attempt to limit the scope of the application, and the First Respondents had had to step in and produce bundles, because the Applicants had had difficulty in doing so. It considered that the Applicants had refused to confirm that they had received the bundles, when it was clear that they had received them.

124. The Tribunal considered the evidence and submissions. It noted its jurisdiction was discretionary. Also the charging regime was complex, and that the Respondents had not really spent sufficient time to explain it in detail. The Applicants had good reason to commence an application. However, they had not followed the Directions, with the result that much time and trouble had been wasted in the discovery process, and at the hearing. If they had been unsure of procedure, they could have sought guidance from the Tribunal, or sought free advice from several sources. However they had apparently not done so. Taking all matters into consideration, the Tribunal decided to make no order under Section 20C. The effect of this decision is that the Respondents are entitled to charge their reasonable costs of the application to the service charge of the Building and the Estate as a whole.
125. At the hearing the both sides considered making an unreasonable costs application under Regulation 13 of The Tribunal Procedure (First-tier Tribunal)(Property Chamber) Rules 2013.
126. The Tribunal directed that any party was entitled to make an application under Regulation 13, within 28 days of the publication of this decision to the parties, if so advised in the light of this decision.

Name: Lancelot Robson

Date: 14th May 2015

Appendix 1

Landlord & Tenant Act 1985

Section 18

- (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 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.
- (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.

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 provisions 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.
- (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 or subsequent charges or otherwise,

Section 20B

- (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 18 period of 18 months beginning with the date when the relevant costs in question had been 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.

Section 21B

- (1) A demand for the payment of a service charge must be accompanied by a summary of the rights and obligations of tenants of dwellings in relation to service charges.
- (2) The Secretary of State may make regulations prescribing requirements as to the form and content of such summaries of rights and obligations.
- (3) A tenant may withhold payment of a service charge which has been demanded from him if subsection (1) is not complied with in relation to the demand.
- (4) Where a tenant withholds a service charge under this section any provisions of the lease relating to non-payment or late payment of service charges do not have effect in relation to the period for which he so withholds it.
- (5) and (6)....

Section 27A

- (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 costs 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.
- (4) No application under subsection (1) or (3) may be made in respect of a matter which -
- (a) has been agreed or admitted by the Tenant,
 - (b) has been, or is to be, referred to arbitration pursuant to a post-dispute arbitration agreement to which the Tenant is a party,
 - (c) has been the subject of determination by a court, or
 - (d) has been the subject of determination by an arbitral tribunal pursuant to a post-dispute arbitration agreement.
- (5) But the Tenant is not to be taken to have agreed or admitted any matter by reason only of having made any payment.

Section 20C

- (1) A tenant may make an application for an order that all or any of the costs incurred, or to be incurred, by the landlord in connection with proceedings before a court, residential property tribunal or leasehold valuation tribunal, or the Upper Tribunal, or in connection with arbitration proceedings, are not to be regarded as relevant costs to be taken into account in determining the amount of any service charge payable by the tenant or any other person or persons specified in the application.
- (2) The application shall be made—
- (a) in the case of court proceedings, to the court before which the proceedings are taking place or, if the application is made after the proceedings are concluded, to a county court;
 - (aa) in the case of proceedings before a residential property tribunal, to a leasehold valuation tribunal;
 - (b) in the case of proceedings before a leasehold valuation tribunal, to the tribunal before which the proceedings are taking place or, if the application is made after the proceedings are concluded, to any leasehold valuation tribunal;
 - (c) in the case of proceedings before the Upper Tribunal, to the tribunal;
 - (d) in the case of arbitration proceedings, to the arbitral tribunal or, if the application is made after the proceedings are concluded, to a county court.
- (3) The court or tribunal to which the application is made may make such order on the application as it considers just and equitable in the circumstances

The Tribunal Procedure (First-tier Tribunal)(Property Chamber) Rules 2013

Regulations 13(1) - (3)

- 13.-(1) The Tribunal may make an order in respect of costs only-
- (a) under Section 29(4) of the 2007 Act (wasted costs) and the costs incurred in applying for such costs;
 - (b) if a person has acted unreasonably in bringing, defending, or conducting proceedings in-
 - (i) an agricultural land and drainage case,
 - (ii) a residential property case, or
 - (iii) a leasehold case; or
 - (c) in a land registration case.
- (2) The Tribunal may make an order requiring a party to reimburse to any other party the whole or part of the amount of any fee paid by the other party which has not been remitted by the Lord Chancellor.
- (3) The Tribunal may make an order under this rule on application or on its own initiative.
-

Schedule

TRIBUNAL SCHEDULE 2

FIRST RESPONDENT RESPONSES AS AT 3 OCTOBER 2014
DISPUTED SERVICES CHARGES S/C YEAR ENDED A2 - 2011

Various Flats at Camellia House , Tilley Road,
Feltham Middlesex TW13 4GJ

Case Reference: LON/00AT/LSC/2014/0292

DECISION

ITEM	COST	APPLICANTS COMMENTS	A2D Comments
External Managing Agent Fee		-	
① Managing Agent Fee - Concord JUL10- Jun11	17917.22	*2) Unreasonable amount for service provided - provide invoices - Pay 20%	This is the Second Respondent's costs of managing the Shared Areas of Camellia House. Invoices supplied.
② Cleaning	4061.19	*3) Pay 20% - poor standard of service. Provide invoices for service charged	Re 3 see comment below. There is based on a specification of works including weekly cleaning to the A2D Block. No reduction is accepted. Invoices supplied.
③ Lighting & Electricity	1327.44	*3) Provide separate invoices for our block and whole estate	Re 3 see comment below. The charge is for lighting and electricity to the A2D Block. Separate charges will be payable to Consort in respect of the Shared Areas. No reduction is accepted Invoices for the A2D Block supplied.

ALLOWED
IN FULL

111

RT116 158

①

<p style="text-align: center;">④</p> <p>Water Costs</p>	<p>2769.17</p>	<p>*3) Provide separate invoices for our block and whole estate</p>	<p>Re 3 see comment below. The charge is for water consumption in the A2D Block. No reduction is accepted. Invoices for the A2D Block supplied.</p>
<p style="text-align: center;">⑤</p> <p>Entry Phone</p>	<p>3259.76</p>	<p>*1) Not chargeable under lease - continuously faulty</p>	<p>Relevant lease provisions: Clauses 3(2)(b), 5(2)(a); 7(5)(a). Repairs were required for which charges were made including the replacement of a handset during the year. Invoices supplied.</p>
<p style="text-align: center;">⑥</p> <p>Lift Servicing</p>	<p>132.1</p>	<p>*1) Not chargeable under lease -under warranty</p>	<p>Relevant lease provisions: Clauses 3(2)(b), 5(2)(a); 7(5)(a). Invoices supplied. This item is not under warranty</p>
<p style="text-align: center;">⑦</p> <p>Communal Door Repairs</p>	<p>2728.84</p>	<p>*1) Not chargeable under lease. Damage covered by NHBC Building guarantee</p>	<p>Relevant lease provisions: Clauses 3(2)(b), 5(2)(a); 7(5)(a). NHBC certificates are issued to individual properties and do not cover such repairs.</p>

ALLOWED IN FULL

REDUCED TO £1,766.83

REDUCED TO £863.16

15

RT11b 159

②

<p style="text-align: center;">⑧</p> <p>Pest Control</p>	<p>1498.13</p>	<p>*1) Not chargeable under lease</p>	<p>Relevant lease provisions: Clauses 1(2)(a), 3(2)(b), 5(2)(a), 5(2)(c), 7(5) and 7(5)(a). Extreme Environmental Services cleared birds and fouling from the communal loft, as well as installed mesh proofing for the A2D Block. The cost was reasonably incurred and payable.</p>
<p style="text-align: center;">⑨</p> <p>Bulk Refuse Removal</p>	<p>50</p>	<p>*1) Not chargeable under lease</p>	<p>Relevant lease provisions: Clauses 1(2)(a), 3(2)(b), 5(3), 7(5)(a). This charge was made for the removal and disposal of rubbish in the communal cupboard of the A2D Block. The cost was necessary and reasonably incurred.</p>
<p style="text-align: center;">⑩</p> <p>Noticeboard</p>	<p>29.38</p>	<p>*1) Not chargeable under lease</p>	<p>Relevant lease provisions: Clauses 3(2)(b), 7(5). The notice board exists to provide leaseholders with useful contact and building insurance details for residents. The cost is not excessive and has been reasonably incurred.</p>

ALLOWED
IN
FULL

116

RTEIB 160

③

47

REF ID: A61

<p style="text-align: center;">⑩</p> <p>Fire Appliance and System Maint</p>	<p>18295.02</p>	<p>*3) Provide seperate invoices for our block and whole estate</p>	<p>Re 3 see comment below. This cost relates to the servicing of fire safety appliances and maintenance contracts for the A2D Block (as it has communal areas). It also includes the replacement of the firemans' switch to smoke vent, block fire risk assessment, replacement of smoke heads and locks to fire appliances. The costs have been incurred for the A2D Block, however cerdit was given to leaseholders directly to their customer accounts for the sum of £13,806.27 on 13 June 2012. Letters were sent to leaseholders on 14 June 2012. The First Respondent does not accept any further reduction. Invoices have been supplied, in respect of the A2D Block only for which this cost was incurred.</p>
<p style="text-align: center;">⑩</p> <p>Alarms and Security Maint</p>	<p>7258.69</p>	<p>*1) Not chargeable under lease</p>	<p>Relevant lease provisions: Clauses 1(2)(a), 3(2)(b), 5(2)(c), 7(5)(a)</p>
<p style="text-align: center;">⑪</p> <p>Communal Aerials</p>	<p>763.75</p>	<p>*1) Not chargeable under lease</p>	<p>Relevant lease provisions: Clauses 1(2)(a), 3(2)(b), 5(2)(c), 7(5)(a)</p>

REDUCED TO £596.25

ALLOWED IN FULL

④

Building Fabric Maint (12)	141	*1) Not chargeable under lease	Relevant lease provisions: Clauses 3(2)(b), 5(2)(a)
(13)			This is the standard management fee for managing the A2D Block and is reasonably amount - see decision LON/00AJ/LSC/2008/0015. A suitable level of service was provided and the sum was reasonably incurred/is payable. Issues raised are investigated and resolved.
Management and Audit Fees	175	*2) Unreasonable amount for service provided - provide invoices - Pay 20%	
(13) AUDIT Management Fee	10.2	*2) charged twice	This is not charged twice and appears under a separate heading "audit fee". The cost was reasonably incurred (see auditor's statement at the end of the service charge actual statement sent to leaseholders.

ALLOWED IN FULL

REDUCED TO £87.50 PER UNIT AS CORRECTED

ALLOWED IN FULL AS CORRECTED

- 1) Chargeable under lease?
- 2) Reasonable in amount/standard?
- 3) Correctly demanded?

All demands for payment are Landlord and Tenant legislation compliant. See documents supplied.

MS

RTI 15 162

(5)

Schedule

FIRST RESPONDENT RESPONSES AS AT 3 OCTOBER 2014
DISPUTED SERVICES CHARGES S/C YEAR ENDED A2- 2012

Case Reference: LON/00AT/LSC/2014/0292

Various Flats at Camellia House , Tilley Road,
 Feltham Middlesex TW13 4GJ

ITEM	COST	APPLICANTS COMMENTS	A2D Comments
② Cleaning	4171.53	*3) Pay 20% - poor standard of service. Provide invoices for service charged	Re 3 see comment below. There is based on a specification of works including weekly cleaning to the A2D Block. No reduction is accepted. Invoices supplied.
① External Managing Agent Fee	8408.61	*2) Unreasonable amount for service provided - Pay 20% we pay twice provide invoice to support	This is the Second Respondent's costs of managing the Shared Areas of Camellia House. The cost has not been double charged. Invoices supplied.
Grounds Maintenance	102.57	*1) Not chargeable under lease - provide invoices to support costs - charged twice	This sum is conceded as it relates to litter picking.
Lift Servicing	227.26		
Lighting and electricity	328.2	*3) Provide invoices to support costs	Re 3 see comment below. Invoices supplied.

ALLOWED
IN
FULL

ALLOWED
IN FULL

CONCEDED

NOT DISPUTED

ALLOWED IN
FULL

119

CONCEDED

⑥

③

RTFIB 163

⑥

50

<p style="text-align: center;">(5A)</p> <p>Security Systems</p>	<p>1206.71</p>	<p>*3) No security system - explain. Provide invoices to support costs</p>	<p>Re 3 see comment below. Security systems means door entry systems and emergency lighting for example. The A2D Block does have a door entry system. This cost included the replacement of a faulty handset, and work to trace and rectify faults to the communal front door at the A2D Block. As well as this, the firemans switch was replaced and general upkeep of the door was carried out. The costs were reasonably incurred, also please see below, £5983.15 credit given to leaseholders - accordingly, no further reduction accepted.</p>
<p style="text-align: center;">(11)</p> <p>TV aerial or satellite systems</p>	<p>504</p>	<p>*1) Not chargeable under lease</p>	<p>Relevant lease provisions: Clauses 1(2)(a), 3(2)(b), 5(2)(c), 7(5)(a).</p>

APPARENT
CONFUSION
£966.79
ALLOWED

ALLOWED
IN FULL

(7)

RTI 16 164

<p style="text-align: center;">④</p> <p>Water charges</p>	<p>10972.95</p>	<p>*3) Provide separate invoices for our block and whole estate</p>	<p>Re 3 see comment below. The charge is for water consumption in the A2D Block. No reduction is accepted. Invoices for the A2D Block supplied. Correct sum as per service charge actuals is £10,972.95.</p>
<p style="text-align: center;">①</p> <p>External Agent charge</p>	<p>10559.6</p>	<p>*1) Not chargeable under lease - charged twice. Provide invoices to support costs</p>	<p>Relevant lease provisions: Clauses 3(2)(b), 7(5)(g). This charge represents a second invoice received and is not a duplicate charge. It was miscoded when added to the account for the A2D Block and should have been included in "Estate costs". The costs were incurred and is payable by leaseholders. Invoices supplied.</p>
<p style="text-align: center;">⑩</p> <p>Fire alarms Applicances</p>	<p>1293.36</p>	<p>*1) Not chargeable under lease</p>	<p>Relevant lease provisions: Clause 1(2)(a), 3(2)(b), 5(3), 7(5)(a), 7(5)(b)</p>
<p>Grout Rent</p>	<p>492.48</p>	<p>*1) Not chargeable under lease</p>	<p>This sum is conceded.</p>

ALLOWED
IN FULL

7

R111b 165

⑧

<p style="text-align: center;">③</p> <p>lighting and electricity</p>	<p style="text-align: center;">541.41</p>	<p>*1) Not chargeable under lease - charged twice. Provide invoices to support costs</p>	<p>Relevant lease provisions: Clause 1(2)(a), 3(2)(b), 5(3), 7(5)(a). There is no double charge. Invoices supplied.</p>
<p style="text-align: center;">5A</p> <p>Security Systems</p>	<p style="text-align: center;">5983.15</p>	<p>*3) No security system & charged twice - explain. Provide invoices to support costs</p>	<p>Re 3 see comment below. This is a minus figure on the actuals and no charge was made to leaseholders. No further reduction due.</p>
<p style="text-align: center;">⑪</p> <p>TV aerial or satellite systems</p>	<p style="text-align: center;">216</p>	<p>*1) Not chargeable under lease / faulty</p>	<p>Relevant lease provisions: Clauses 1(2)(a), 3(2)(b), 5(2)(c), 7(5)(a). Necessary repairs/maintenance required. Invoices supplied. A2D are required to maintain and repair - any costs incurred in doing so will be passed on to leaseholders once accounts are finalised. There were two call outs logged which does not suggest a faulty system.</p>

ALLOWED
IN FULL

MINUS
FIGURE

ALLOWED
IN FULL

52

53

<p style="text-align: center;">13</p> <p>Audit Fee</p>	<p style="text-align: center;">10.2</p>	<p>*3) Who do we pay? Provide invoices to support cost</p>	<p>This is payable to A2D (as per service charge demand) and is the cost of auditing the service charge account administered/levied by the First Respondent. The cost is reasonably incurred (see auditor's statement at end of each service charge statement sent to leaseholders).</p>
<p style="text-align: center;">13</p> <p>Management Fee</p>	<p style="text-align: center;">175</p>	<p>*2) Unreasonable amount for service provided - Pay 20%</p>	<p>This is the standard management fee for managing the A2D Block and is reasonable amount - see decision LON/00AJ/LSC/2008/0015. A suitable level of service was provided and the sum was reasonably incurred/is payable. Issues raised are investigated and resolved.</p>

ALLOWED
IN FULL

REDUCED
TO £87.50
PER UNIT

- 1) Chargeable under lease?
- 2) Reasonable in amount/standard?
- 3) Correctly demanded?

All demands for payment are Landlord and Tenant legislation compliant. See documents supplied.

RTTB 167

2

Schedule

FIRST RESPONDENT RESPONSES AS AT 3 OCTOBER 2014

DISPUTED SERVICES CHARGES S/C YEAR ENDED A2 - 2013

Various Flats at Camellia House , Tilley Road,

Case Reference: LON/00AT/LSC/2014/0292

Feltham Middlesex TW13 4GJ

ITEM	COST	APPLICANTS COMMENTS	A2D Comments
Entry phone intercoms	300	*3) Not working - continuously faulty	This has not been demanded from leaseholders. I refer to the actual service charge statements sent to leaseholders for the year ending 31 March 2013.
Fire alarms Appliances	1255.20	*1) Not chargeable under lease	This has not been demanded from leaseholders. I refer to the actual service charge statements sent to leaseholders for the year ending 31 March 2013. A block charge was made, please see below.
② CLEANING			This has been miscoded, causing it to appear as an estate charge. It represents cleaning to the A2D Block, which is payable under lease clauses 1(2)(a), 3(2)(b)), 5(3), 7(5)(a). The cost also includes a sum for litter picking, which is not chargeable under the lease, accordingly the sum of £167.70 is conceded.
① Grounds Maintenance	4109.61	*1) Not chargeable under lease	

N/A

N/A

ALLOWED
LESS SUM
CONCEDED
!E. £3941.91

54

RTF110 168

①

<p style="text-align: center;">3</p> <p>Lighting and electricity</p>	<p style="text-align: center;">380.53</p> <p style="text-align: center;">2900</p>	<p>*3) Communal and floor lights day and night burning - refuse</p>	<p>Re 3 see comment below. The sum shown as charged in the service charge actuals was £302.11+£78.42 (see below) = £380.53 and not £2900. A separate entry appears as there were two invoices for this cose which were not coded together. Ultimately, the cost was reasonably incurred and reasonable in amount, and is payable.</p>
<p style="text-align: center;">5A</p> <p>Security Systems</p>	<p style="text-align: center;">1720.8</p>	<p>*3) No security system - explain. Provide invoices to support costs</p>	<p>There was no estate sum charged under this heading. Please see actuals sent to leaseholders. A Block Charge was made, see below.</p>
<p style="text-align: center;">4</p> <p>Water charges</p>	<p style="text-align: center;">7409.61</p>	<p>*3) Provide seperate invoices for our block and whole estate</p>	<p>Re 3 see comment below. The charge is for water consumption in the A2D Block. No reduction is accepted. Invoices for the A2D Block supplied.</p>
<p style="text-align: center;">ERROR</p> <p>LIFTS</p> <p>Block cleaning</p>	<p style="text-align: center;">227.26</p>	<p>*3) Pay 20% - poor standard of service. Provide invoices for service charged</p>	<p>re 3) see comment below. Re standard of service - This cost is based on a specification of works including weekly cleaning to the A2D Block. No evidence for reduction provided. Invoices supplied.</p>

ALLOWED
IN FULL
AS CORRECTED

WITHIN LIFT
COSTS ELSEWHERE
DISALLOWED
ENTIRELY

(12)

29

RTF15 169

(14)			Re 3 see comment below. A2D do not make repairs to the estate. Invoices are supplied, and relate to works to the A2D Block alone. This cost relates to a new fire door, and 32 call outs. The cost was reasonably incurred.
Communal repairs	2672	*3) Provide separate invoices for our block and whole estate	
(1)			Relevant lease provisions: Clauses 3(2)(b), 7(5)(g). Costs are chargeable and payable.
External Agent charge	17917.22	*1) Not chargeable under lease	
(10)			Relevant lease provisions: 1(2)(a), 3(2)(b), 5(3), 7(5)(a), 7(5)(b)
Fire alarms Applicances	4378.45	*1) Not chargeable under lease	
Heating and Hot Water	0		
(6)			Re 3 see comment below. Invoices supplied, sums reasonably incurred and payable.
Lift servicing	960	*3) Increase of 70% from previous year - provide invoices to support cost	

NO INVOICES
DISALLOWED
ENTIRELY

ALLOWED
IN FULL

ALLOWED
IN FULL

REDUCED TO
£402.49

5/6

RTRIB 170

(13)

Schedule

DISPUTED SERVICES CHARGES S/C YEAR ENDED A2 -2014
 FIRST RESPONDENT RESPONSES AS AT 3 OCTOBER 2014

Case Reference: LON/00AT/LSC/2014/0292 Various Flats at Camellia House , Tilley Road, Feltham Middlesex TW13 4GJ

ITEM	COST	APPLICANTS COMMENTS	A2D Comments
(2) Cleaning	2983.20 2893.2	*3) Pay 20% - poor standard of service. Provide invoices for service charged	Re 3 see comment below. The figure estimated is £2983.20 and not as stated. It is based on a specification of works including weekly cleaning to the A2D Block, which is being carried out to a reasonable standard. No reduction agreed.
(1) External Managing Agent Fee	17917.22	*1) Not chargeable under lease	Relevant lease provisions: Clauses 3(2)(b), 7(5)(g). Costs are chargeable and payable.
(6) Lift Servicing	979.2	*1) Not chargeable under lease	Relevant lease provisions: Clauses 3(2)(b), 5(2)(a); 7(5)(a).
(3) lighting and electricity	2900	*3) Communal and floor lights day and night burning - refuse	Re 3 see comment below. Cost incurred and full amount chargeable to leaseholders once ascertained. There have been instances where the lights on the 2nd and 3rd floor corridors have not been turning off. These instances were investigated and resolved.

ALLOWED
 AS CORRECTED

ALLOWED
 IN FULL

REDUCED
 TO £1,000

2

RTFIB 171

(14)

(3A)	2020.80		Correct sum estimated is £2020.80. Security systems means the cost of emergency lighting and door entry systems which serve the A2D Block. Invoices supplied.
Security Systems	2020	*3) No security system - explain. Provide invoices to support costs	
(11)			Relevant lease provisions: Clauses 1(2)(a), 3(2)(b), 5(2)(c), 7(5)(a). A2D are required to maintain and repair - any costs incurred in doing so will be passed on to leaseholders once accounts are finalised. There were two call outs logged which does not suggest a faulty system.
TV aerial or satellite systems	1200	*1) Not chargeable under lease - faulty	
(4)			Re 3 see comment below. Sum estimated to be incurred in respect of the A2D Block. Invoices will be supplied on finalising year end account.
Water charges	6443.6	*3) Provide seperate invoices for our block	
			This has not been demanded from leaseholders. I refer you to the estimated service charge statements sent to leaseholders for the year ending 31 March 2014. See correct sum estimated above and relevant lease provisions.
External Agent charge	10559.6	*1) Not chargeable under lease	
(10)	1285		Sum estimated is £1285. Relevant lease provisions: 1(2)(a), 3(2)(b), 5(3), 7(5)(a), 7(5)(b)
Fire alarms/Applicances	1293.36	*1) Not chargeable under lease	

ALLOWED
IN FULL
AS CORRECTED

ALLOWED
IN FULL

NO FINDING

N/A

ALLOWED
IN FULL

58

RT11B 172

(15)

Grout Rent	492.48	*1) Not chargeable under lease	This has not been demanded from leaseholders. I refer you to the estimated service charge statements sent to leaseholders for the year ending 31 March 2014
Lighting and electricity	541.41	*3) Refuse - charged twice	This has not been demanded from leaseholders. I refer you to the estimated service charge statements sent to leaseholders for the year ending 31 March 2014. See correct sum estimated above.
Security Systems	5983.15	*3) No security system - explain. Provide invoices to support costs	This has not been demanded from leaseholders. I refer you to the estimated service charge statements sent to leaseholders for the year ending 31 March 2014. See correct sum estimated above. For an explanation of the cost, leaseholders are annually sent a copy of ""Homeowners' service charge guide" which shows that it includes the cost of emergency lighting and door entry systems for example.
TV aerial or satellite systems	216	*1) Not chargeable under lease	This has not been demanded from leaseholders. I refer you to the estimated service charge statements sent to leaseholders for the year ending 31 March 2014. See correct sum estimated above.



N/A

59

RT116 173

(10)

<p style="text-align: center;">13</p> <p>Audit Fee</p>	<p style="text-align: center;">14</p>	<p>*2) Unreasonable amount for service provided - Pay 20%</p>	<p>This is payable to A2D (as per service charge demand) and is the cost of auditing the service charge account administered/levied by the First Respondent. The cost is reasonably incurred demonstrated by the auditor's statement at end of each service charge statement sent to leaseholders.</p>
<p style="text-align: center;">13</p> <p>Management Fee</p>	<p style="text-align: center;">180</p>	<p>*2) Unreasonable amount for service provided - Pay 20%</p>	<p>This is the standard management fee for managing the A2D Block and is reasonably amount - see decision LON/00AJ/LSC/2008/0015. A suitable level of service was provided and the sum was reasonably incurred/is payable. Issues raised are investigated and resolved.</p>

ALLOWED
IN FULL

- 1) Chargeable under lease?
- 2) Reasonable in amount/standard?
- 3) Correctly demanded?

All demands for payment are Landlord and Tenant legislation compliant. See documents supplied.

60

RPI 174

17

Schedule

FIRST RESPONDENT RESPONSES AS AT 3 OCTOBER 2014

DISPUTED SERVICES CHARGES S/C YEAR ENDED A2 -2015

Case Reference: LON/00AT/LSC/2014/0292

Various Flats at Camellia House , Tilley Road, Feltham Middlesex TW13 4GJ

ITEM	COST	APPLICANTS COMMENTS	A2D Comments
<p style="text-align: center;">②</p> <p>Block Cleaning</p>	<p style="text-align: center;">3066.73</p>	<p>*3) Pay 20% - poor standard of service. Provide invoices for service charged</p>	<p>Re 3 see comment below. There is based on a specification of works including weekly cleaning to the A2D Block. No reduction is accepted, no evidence of poor service. This is an estimated figure based on contract cost and invoices will be available after the year end.</p>
<p style="text-align: center;">⑮</p> <p>CCTV ACCESS CONTROL</p>	<p style="text-align: center;">180</p>	<p>*3) WE DO NOT HAVE CCTV</p>	<p>This should read "Access control", and not CCTV. It has been miscoded.</p>
<p style="text-align: center;">①</p> <p>External Agent</p>	<p style="text-align: center;">20161.29</p>	<p>*3) Not chargeable under lease / please provide invoices</p>	<p>Relevant lease provisions: Clauses 3(2)(b), 7(5)(g). Costs are chargeable and payable. Invoices will be available when supplied. This is bease on estimated figures. Invoices will be available after the year end.</p>
<p>Ground Maintenance</p>	<p style="text-align: center;">172.61</p>	<p>*1) Not chargeable under lease - provide explanation of costs and invoices to support costs</p>	<p>This sum is conceded as it relates to litter picking.</p>

ALLOWED
IN FULL

CONCEDED

3

RT116 175

⑬

<p style="text-align: center;">10</p> <p>Fire Safety</p>	<p style="text-align: center;">2611.2</p>	<p>*1) Not chargeable under lease - provide explanation of costs and invoices to support costs</p>	<p>Relevant lease provisions: Clauses 1(2)(a), 3(2)(b), 5(3), 7(5)(a), 7(5)(b). Explanation of what is covered is contained in the "Homeowners' service charge guide" sent annually to leaseholders. It includes the cost of servicing fire appliances, alarm systems, smoke vents and emergency lighting systems. Invoices will be available after the year end.</p>
<p style="text-align: center;">6</p> <p>Lift Servicing</p>	<p style="text-align: center;">1224</p>	<p>*1) Not chargeable under lease</p>	<p>Relevant lease provisions: Clauses 3(2)(b), 5(2)(a); 7(5)(a).</p>
<p style="text-align: center;">3</p> <p>Lighting and electricity</p>	<p style="text-align: center;">2900</p>	<p>*3) Provide seperate invoices for our block</p>	<p>Re 3 see comment below. Invoices supplied for A2D Block. Sum reasonably incurred and payable by leaseholders.</p>
<p style="text-align: center;">13</p> <p>Management Charges</p>	<p style="text-align: center;">180 230</p>	<p>*2) Unreasonable amount for service provided - Pay 20%</p>	<p>The sum should read £180, which is the standard management fee, and £50 is conceded.</p>
<p style="text-align: center;">16</p> <p>Warden service</p>	<p style="text-align: center;">549.24</p>	<p>*1) Not chargeable under lease</p>	<p>Relevant lease provisions: Clauses 1(2)(a), 3(2)(b), 5(2), 5(3)(b), 7(5).</p>
<p style="text-align: center;">17</p> <p>Sewerage plant and pumps</p>	<p style="text-align: center;">648</p>	<p>*1) Not chargeable under lease</p>	<p>Relevant lease provisions: Clauses 3(2)(b), 5(2)(b), 7(5)(a).</p>

ALLOWED
IN FULL

REDUCED
TO £1000

ALLOWED
AS CORRECTED

ALLOWED
IN FULL

b2

RTFID 176

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11 TV arterial satellite system	1248	*1) Not chargeable under lease	Relevant lease provisions: Clauses 1(2)(a), 3(2)(b), 5(2)(c), 7(5)(a).
18 Utility fee	25	*1) Not chargeable under lease	Relevant lease provisions: Clauses 3(2)(b), 7(5)(c), 7(5)(d)
4 Water rate	253.23	*3) Provide separate invoices for our block	Re 3 see comment below. Invoices will be supplied for A2D Block after the year end. Sum will have been reasonably incurred and payable by leaseholders.
13 Examination fee	14	*3) What is this?	Re 3 see comment below. This is payable to A2D (as per service charge demand) and is the cost of auditing the service charge account administered/levied by the First Respondent. It was previously the "audit fee".

ALLOWED
IN FULL

REDUCED
TO NIL

NO FINDING

ALLOWED
IN FULL

1) Chargeable under lease?

2) Reasonable in amount/standard?

3) Correctly demanded?

All demands for payment are Landlord and Tenant legislation compliant. See documents supplied.

L2

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