



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

<b>Case Reference</b>	:	LON/00AG/LSC/2020/351 (Video)
<b>Property</b>	:	Flats A, B, C and D, 8 Loveridge Road, London NW6 2DT (flats A, B, C and D)
<b>Applicants</b>	:	Mr Martin Brennan (flat A) Ms Amanda Sears (flat B) Mr Jonathon Lee (flat C) Ms Alessandra Perrone (flat D) (leaseholders/applicants)
<b>Representative</b>	:	Self-represented
<b>Respondent</b>	:	Mr Ali Reza Razmahang (freeholder / landlord)
<b>Representative</b>	:	Mr Pratt (Counsel)
<b>Type of Application</b>	:	S 27A, s20C Landlord and Tenant Act 1985 (the Act), para 5A Schedule 11 Commonhold and Leasehold Reform Act 2002
<b>Tribunal Members</b>	:	Tribunal Judge Seifert Mrs E Flint FRICS
<b>Date and venue</b>	:	6 <sup>th</sup> May 2021, 10 Alfred Place, London WC1E 7LR
<b>Date of Decision</b>	:	31 <sup>st</sup> August 2021

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**DECISION**

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## **Background**

1. This has been by a remote video hearing. The form of hearing has been consented to by the parties. The tribunal were satisfied that all issues could be determined in a remote hearing. The documents before tribunal, were mainly contained in a hearing bundle comprising 673 pages, as described in the index and the contents of which have been noted.
2. The leaseholders of flats A, B, C and D applied to the tribunal for a determination of liability to pay and the reasonableness of service charges under section 27A of the Act. The flats are contained in a terraced house converted into the four flats, A, B, C and D.
3. The applications requested determination in respect of the service charge years ending 31st January 2019, 2020 and 2021. The applications were on a similar basis. Within the applications the applicants also applied under section 20C of the Act and under paragraph 5A of Schedule 11 of the Commonhold and Leasehold Reform Act 2002 in respect of limiting the payment of landlord's costs in connection with the proceedings.
4. A representative lease of flat A, the ground floor flat, was included in the hearing bundle. This lease was dated 30<sup>th</sup> April 2003 and was made between Mill Hill Properties Limited and Behzad Ramani. The definition of landlord and tenant included successors in title. The leasehold titles are now vested in the applicant leaseholders.
5. The premises demised were described in the third schedule to the above lease, subject to reserved premises and rights as referred to in the lease. The term was for 99 years from 25<sup>th</sup> June 2002 at the ground rent set out in the eighth schedule by yearly payment in advance on 25<sup>th</sup> June 2002 and the additional and further payment of rent payable in accordance with paragraph 2 of the fourth schedule.
6. The fourth schedule contained covenants by the tenant with the landlord including to pay to the landlord additional rent by one instalment in advance on 25<sup>th</sup> June in each year, such estimated sum as shall be reasonably required by the landlord or its agents and notified to the tenant of a named proportion of the insurance premium incurred by the landlord in complying with clause 4 of the fifth schedule and providing the several services and amenities specified in the seventh schedule or otherwise in discharge of the landlord's covenants for the financial year ending 31<sup>st</sup> January in each year. As soon as possible following the end of each such financial year, the landlord shall provide the tenant with a summary of adjusted costs and expenses certified by

the landlord's accountants, surveyors or managing agents, certified as due from or to the tenant for that year.

### **The Tribunal's Directions**

7. The tribunal's directions were dated 11<sup>th</sup> December 2020, a copy of which was included in the hearing bundle together with amended directions. This included the requirement for the applicants' completion of a Scott Schedule in the form attached to those directions, setting out in the relevant column, by reference to each service charge year in dispute, the item and amount in dispute, the reasons why the amount was disputed and an amount, if any, the tenant would pay for that items and copies of any alternative quotes or other documents including any colour photographs relied on.
8. The directions also included provision for a statement of case by the applicants and any signed witness statements intended to be relied upon at the hearing. Directions were also made for the landlord to complete the landlord's column in the leaseholder schedule setting out its comments in respect of the dispute items and clarifying the landlord's case in respect of each flat. Provision was also made for submission of a statement of case in reply and witness statements the landlord intended to rely upon at the hearing. The leaseholders were provided with an opportunity to submit a brief supplementary reply.
9. The applicants submitted the completed schedule for the flats for each of the service charge years in dispute, setting out the individual items disputed with the leaseholder's comments. The landlord provided comments on the disputed items in the schedule for each of the flats.
10. For example, in respect of flat A the items in the schedule for the year ending 31<sup>st</sup> included: Building insurance, repairs and day to day maintenance, cleaning / bulk waste removal, electricity, management fees, accountancy fees.

The headings of items in dispute for the service charge year ended 31<sup>st</sup> December 2019, included building insurance, repairs and day to day maintenance, cleaning, electricity, management fees and accountancy fees.

The headings of items in dispute for the service charge year ended 31<sup>st</sup> December 2020, included Building insurance, repairs and day to day maintenance, cleaning, management fees, general repairs, H & S equipment, cleaning/ bulk waste removal, management fees, and letter of claim.

The headings of items in dispute for the service charge year ended 31<sup>st</sup> December 2021, included general repairs, H & S / fire equipment, cleaning /bulk waste removal, and management fees, letter of claim.

11. In respect of flats B, C, and D the disputed charges set out in the schedule included for the service charge years to 31<sup>st</sup> December 2018, 31<sup>st</sup> December 2019 and 31<sup>st</sup> December 2020, and 31<sup>st</sup> December 2021 were similar to those for flat A.

### **Documents**

12. Amongst the documents provided in the hearing bundle was a copy of the management agreement dated 6<sup>th</sup> June 2018. Copies of correspondence between the applicants and Ringley Limited Chartered Surveyors (Ringleys), was provided. Amongst the correspondence were emails sent by Mr Graham Bennett MIRPM, a director of Ringleys until February 2021. Also provided were service charge statements and demands and other documents prepared in respect of the flats.

### **The Hearing**

13. The hearing was a remote hearing by video held on 6<sup>th</sup> May 2021. Ms Alessandra Perrone, Ms Amanda Sears, and Mr Jonathon Lee, the applicant leaseholders of flats B to D, attended the hearing. Mr Martin Brennan, leaseholder of flat A, did not attend the hearing.
14. The landlords were represented by Mr Pratt of Counsel. Ms Verka Hammond, CFO of Ringleys, provided a witness statement dated 26<sup>th</sup> March 2021 and gave additional oral evidence at the hearing. In her witness statement, Ms Hammond referred to various documents in the bundle, including service charge budgets, service charge demands, bank statements, invoices and insurances.

### **The Tribunal's Decision**

15. Service charge accounts or information for the service charge years the subject of claim from 2018 onwards was included in the hearing bundle. Mr Pratt confirmed that the service charge year ended on 31<sup>st</sup> January in each year.
16. Amongst the correspondence provided were emails from Ms Perrone, referring to emails received from Mr Graham Bennett, previously of Ringleys. In this it was stated that no money had been transferred to Ringleys at the start of the management agreement, and that the service charge accounts had been put together without satisfactory evidence of invoices or bank statements. The leaseholders' position was that they

had been prepared to settle all charges that were justified and supported.

17. At the hearing Mr Pratt, on behalf of the freeholder/landlords, submitted that after consultation with Ringleys, a decision had been made to 'write off' the service charges claimed from each of the applicant leaseholders of flats A, B, C and D in respect of the service charge years 2018, 2019 and 2020 save for certain items he identified. This disposed of the majority of the claimed service charges the subject of this application. Mr Pratt said that this proposal had not been specifically discussed with the leaseholders prior to the hearing.

18. Mr Pratt stated that in respect of the current proceedings only 3 items remained claimed as due from each of the leaseholders of flats A, B, C and D. These items related to the service charge year 2020/21. Mr Pratt stated that the 3 remaining items claimed from the leaseholders were:

- **Fire assessment charges - £630 (including VAT)**

A copy of the invoice for this item dated 22<sup>nd</sup> September 2020 for this sum was at page 626 of the hearing bundle.

- **Maintenance - £192 (including VAT)**

A copy of the invoice dated 28<sup>th</sup> January 2021 for this sum, was at page 606 of the hearing bundle. The invoice showed the work carried out as 'To attend out of hours following report of no lights working in the property. To reset mcb and replace 2 x blown bulbs.'

- **Management fees – £387.75 (including VAT)** in respect of the period 1<sup>st</sup> January 2021 to 31<sup>st</sup> March 2021.

Mr Pratt said that this charge was on the basis that the landlords / managing agents had no money on account to deal with the flats and needed to fund the management of the building. The landlord had taken a pragmatic view. It was conceded that the matter had taken too long.

At page 601 - 602 of the hearing bundle was a document headed 'Expenditure Breakdown Details for the year ended 31<sup>st</sup> January 2021 showing amongst other things, sums written off and the sum proposed in these proceedings for the management fees.

Ms Hammond explained that sums had been spent for example on fire risk assessment and on repairs. The above management fee was proposed on that basis. However, she anticipated that would be further amounts to be incurred in the current service charge year, including insurance. A budget had been prepared in draft form awaiting the

outcome of this hearing. There had been issues at the time of the handover to the managing agents who she said had not been given relevant information. It was hoped to resolve the issues with the leaseholders amicably.

19. Mr Pratt told the tribunal that the percentages of the service charge for each of the flats was as follows: Flat A 33.33%, flat B 33.33%, flat C 20% and flat D 13.33%. the 3 sums which remain claimed would be apportioned between the leaseholders in the above percentages.
20. Mr Perrone said that the leaseholders were keen that the services be properly implemented in particular, the insurance. Mr Lee expressed concern with the level management charges previously claimed. Although Mr Brennan did not attend the hearing, Ms Sears said that he considered that Mr Brennan would be happy to go along with the position of the other leaseholders. As the landlord's proposal was not raised prior to the hearing and Mr Brennan was not specifically aware of the proposal, the tribunal adjourned the hearing for the leaseholders to have the opportunity to contact Mr Brennan. However, they were unable to make contact with him.
21. In the circumstances, having considered the evidence and submissions and noting the landlord's proposed revised charges, the tribunal finds that the following sums were reasonable and reasonably incurred and are due from the leaseholders to the landlord in the proportions referred to above.

**1] Fire Assessment Charges £630 (including VAT)**

**2] Maintenance £192 (including VAT)**

**3] Management £387.75 (including VAT)**

22. The tribunal makes no order in respect of the other items set out in the Scott Schedule which were no longer claimed as due by the landlord.

23. In respect of the leaseholders' applications under section 20C of the Landlord and Tenant Act 1985 and under Schedule 11 of CLARA 2002, Mr Pratt indicated that the landlord did not propose charging costs in respect of these proceedings to the service charge. However, for the avoidance of doubt, and in view of the late nature of the landlord's proposals and the outcome, the tribunal makes orders under the above provisions that the landlord's costs not be charged to the service charges.

**Name:** Tribunal Judge Seifert

**Date:** 31<sup>st</sup> August 2021

## **Rights of appeal**

By rule 36(2) of the Tribunal Procedure (First-tier Tribunal) (Property Chamber) Rules 2013, the Tribunal is required to notify the parties about any right of appeal they may have.

If a party wishes to appeal this decision to the Upper Tribunal (Lands Chamber), then a written application for permission must be made to the First-tier Tribunal at the regional office which has been dealing with the case.

The application for permission to appeal must arrive at the regional office within 28 days after the tribunal sends written reasons for the decision to the person making the application.

If the application is not made within the 28-day time limit, such application must include a request for an extension of time and the reason for not complying with the 28-day time limit; the tribunal will then look at such reason(s) and decide whether to allow the application for permission to appeal to proceed, despite not being within the time limit.

The application for permission to appeal must identify the decision of the tribunal to which it relates (i.e., give the date, the property and the case number), state the grounds of appeal and state the result the party making the application is seeking.

If the tribunal refuses to grant permission to appeal, a further application for permission may be made to the Upper Tribunal.