

FIRST-TIER TRIBUNAL PROPERTY CHAMBER (RESIDENTIAL PROPERTY)

Case Reference : BIR/OOGF/LSC/2019/0002

BIR/OOGF/LIS/2019/0020 BIR/OOGF/LIS/2019/0021

Court Reference : E32YM960 (County Court at Wolverhampton)

E32YM959 (County Court at Birmingham) E60YM886 (County Court at Birmingham)

Property: Units 11, 7&8 and 16-18 Trench Lock 3,

Sommerfield Road, Telford TF1 5ST

Claimant : Trench Lock Telford LLP

Representative : Mr Neil Harris BSc MRICS (Harris Lamb)

Defendant : Ms Jade Hope Hopkins (1)

**Decorlight Limited (2)** 

**Ky Faulkner t/a Trench Lock Autos (3)** 

Representative : Miss E Williams of counsel

instructed by Fodens solicitors

**Application** : Service Charges – commercial premises

on Transfer from the County Court

Hearing : 11th June 2019

**Centre City Tower Birmingham** 

Judge : Judge D Jackson

Assessor : Mr RP Cammidge FRICS

Date of Decision : 20th June 2019

## **DECISION**

# Background

- 1. The Claimant is the freeholder of a commercial development known as Trench Lock 3 which comprises 35 industrial units. The layout of the development is helpfully shown on the map at page 247 of the Bundle and in the four colour photographs produced at the hearing
- 2. The First Defendant is the leaseholder of Unit 11, the Second Defendant is the leaseholder of Units 7 and 8 and the Third Defendant is the leaseholder of Units 16, 17 and 18. All leases are for the purposes of this determination in common form. Copies of the leases appear at pages 35 67, 104 133 and 173 201 of the Bundle.
- 3. The Claimant has issued three separate sets of proceedings and claims:
  - Against the First Defendant (Unit 11) Claim No. E32YM960 outstanding service charges £2262.31
  - Against the Second Defendant (Units 7 and 8) Claim No. E32YM959 outstanding service charges £3667.28
  - Against the Third Defendant (Units 16-18) Claim No. E60YM886 outstanding service charges and costs incurred for security and CCTV £4969.56
- 4. The outstanding service charges relate to a balancing charge incurred for service charge year ending 31<sup>st</sup> December 2016. The balancing charge arose following incidents in May, June and July 2016 when travellers occupied the development. The Claimant acting on the basis of an immediate threat to public safety and in the interests of good estate management arranged for the main gates to be automated and for the provision of manned guarding service. The Claimant seeks to recover that expenditure under clauses 7.1 (e) and 7.1 (i) of the Leases. An Expenditure Report for the period 1<sup>st</sup> January 2016 to 31<sup>st</sup> December 2016 prepared by Harris Lamb (managing agents) is at pages 144 149. Statement of Service Charge Expenditure for year ended 31<sup>st</sup> December 2016 and Independent Accountant's Report prepared by PKF Cooper Parry is at pages 150 154. Finally, the additional claim for costs incurred for security and CCTV against the Third Defendant is supported by the invoice at page 8.
- 5. The claim against the First Defendant was transferred to the Tribunal by District Judge Watson sitting at the County Court at Wolverhampton. The claims against the Second and Third Defendants were transferred by Order of District Judge Musgrave sitting at the County Court at Birmingham on 4<sup>th</sup> June 2019 (pages 24 -25).
- 6. The First-tier Tribunal (Property Chamber) (Residential Property) does not have jurisdiction in relation to commercial property. However, all three claims have been dealt with in accordance with the Civil Justice Council Pilot set up by the working group on flexible judicial deployment. These matters have been decided by a Tribunal Judge sitting as a Judge of the County Court exercising the jurisdiction of a District Judge (under section 5(2)(t) and (u) of the County Court Act 1984 as amended by Schedule 9 to the Crime and Courts Act 2013).
- 7. I have been assisted by Mr RP Cammidge FRICS, a Valuer Member of the Tribunal, who has sat as an Assessor. In particular Mr Cammidge asked questions of witnesses in relation to the principles of good estate management and *Service Charges in Commercial Property: RICS Code of Practice*. The decision has, however, been mine alone sitting as a Judge of the County Court.
- 8. At the hearing the Claimant was represented by Mr N Harris MRICS of Harris Lamb Property Consultancy and who is also a joint owner of Trench Lock. Mr Harris gave

- evidence on behalf of the Claimant. The Defendants were all represented by Miss Williams of Counsel. For the Defendants Mark Jenkins, Paul Follos and Ky Faulkner gave evidence.
- 9. At the outset of the hearing, on the application of the Defendants, I consolidated all three sets of proceedings under CPR 3.1 (2) (g). E32YM959 (Decorlight) was allocated to the small claims track on 11<sup>th</sup> January 2019 by Deputy District Judge Viney (page 27 of the Bundle). Mr Harris asked for all cases to remain on the small claims track. Miss Williams agreed submitting that the Court should allocate the consolidated claim on the basis of the value of the highest claim there being no features of these claims to justify transfer to the fast track. I therefore allocated this consolidated claim to the small claims track.

#### **Facts**

- 10. On 27<sup>th</sup> May 2016 travellers occupied part of Trench Lock 3. The Claimant arranged for their removal. Subsequently travellers occupied Trench Lock 3 on 2<sup>nd</sup> June 2016 and again on 8<sup>th</sup> July 2016. The Claimant's managing agents were advised by the police that one of the travellers was known as having had an involvement with firearms.
- 11. It is the Claimant's case that it acted immediately because of a threat to public safety and in particular to protect occupiers, their visitors and customers. The measures taken were to automate the main gates and to provide manned guarding services 24 hours a day, seven days a week.
- 12. Mr Harris does not have day to day management of the development which at the material time was managed by Daman Sawhney of Harris Lamb. Mr Harris did not visit the development himself and was unable to tell me what time the travellers entered, where they were on the development or whether bailiffs were used to move them on. He was unable to tell me anything more about the involvement of firearms. He was not aware of anyone being threatened with a firearm and knew of no evidence of firearms other than what the police had said. He felt that the "most serious" measures were necessary to safeguard the property of the landlord, the occupiers and the interests of their lenders.
- 13. The evidence of Mr Jenkins was that he recalled travellers on the site on 2/3 occasions in 2016. They parked on the gravelled lay-by next to the yellow grit bin adjacent to Unit One as shown on the coloured photographs. He recalls two women in their 20's washing their hair. There was only one caravan and two cars. The first time travellers were there for 2/3 days. The longest period was just over a week. They were moved on by bailiffs. Mr Follos has been at the site since 2002. He recalls that when the development was under the ownership of the Local Authority that there would be incursions by travellers but not every year. In 2016 he recalled two caravans on one occasion and a single caravan on another. At most there were 3 or 4 people. There were one or two cars. The travellers were at the development for no more than one week until they were moved by bailiffs.
- 14. Mr Harris has made two witness Statements which appear at pages 295 341 and 342 385 of the Bundle. At paragraph 2 of his Witness Statement dated 30<sup>th</sup> April 2019 (page 342) Mr Harris states "these travellers were particularly aggressive and physical threats of violence were made". I find that claim to be inconstant with Mr Harris' oral evidence in which he conceded that he had not visited the development himself. I prefer the evidence of the Defendants and find that whilst travellers occupied a small part of the development on three occasions in 2019 no violence was

- offered nor threats of violence made by the travellers to the landlord, leaseholders or visitors to the development.
- 15. Mr Harris told me that the Claimant had arranged for the gates to be automated at its own cost. Further "as a gesture of goodwill and to ease the burden on the occupiers" the Claimant had also agreed to bear 50% of the costs incurred for additional security. Statement of Service Charge Expenditure prepared by Mr Harris' firm Harris Lamb (pages 144-149) at Item 3.6 indicates actual expenditure on security guarding as £49601.58. However, "the landlord has agreed to fund half of the security costs" resulting in a figure of £26565.96 appearing in the Accounts at page 153. Mr Harris was unable to explain why this figure was not 50% of actual expenditure. In relation to automation of the gates and contrary to Mr Harris' oral evidence, the Statement of Service Charge Expenditure indicates automation of the main gate "was shared between the landlord and the service charge". Again, Mr Harris was unable to explain why the sum of £8204.40 appearing in the accounts is not 50% of the actual costs of £14239.
- 16. In relation to the 50% landlord contribution Mr Harris, in answer to a question by the Assessor in relation to communication and consultation, said "with hindsight not as good as it could have been reflected in 50% of budget amount. Landlord made a contribution".
- 17. The Defendants were told that the security gates were to be automated in July 2016 (see email at page 202 and paragraph 14 of the Statement of the Third Defendant). As shown on the map at page 247 there are two sets of gates described as "main gates" and "central gates". Prior to the arrival of the travellers in 2016 both gates had padlocks or combination locks. The keys or combinations were held by the leaseholders. The first leaseholder to arrive in the morning would open up. At night a security guard retained by the Claimant would drive to the development at around 10 p.m. to check the development and then lock up. The new arrangement was that the "central gates" would be permanently padlocked but that a key could be obtained at any time from the security company. The "main gates" were to be retrofitted with electric arms and a fixed yellow central post installed which housed the automated entry system. The operation of the entry system is explained by Mr Sawhney in an email to leaseholders dated 15th November 2016 (pages 134-135). In essence an intercom system has been installed. Visitors would have to key in the unit number and the intercom will automatically dial that unit. Leaseholders could then grant access by pressing the keypad on their telephone. In addition, two fobs were given to each leaseholder which when presented to the intercom allowed for immediate
- 18. Two problems were readily apparent to leaseholders. Firstly, the fixed yellow central post on the main gates coupled with the padlocking of the central gates made access to the development by HGV's difficult. Secondly those leaseholders with businesses reliant upon dealing directly with customers found that the intercom either deterred customers from calling or disrupted the running of their business to answer frequent requests via the intercom for the gates to be opened. When asked by counsel about the efficacy of the automated gates Mr Harris conceded that it had not been entirely effective "not with the character of some of the occupiers on the estate at the time. On other estates it operates very well".
- 19. A meeting was arranged on 12<sup>th</sup> August for the leaseholders to meet with Daman Sawhney of Harris Lamb. Mr Sawhney cancelled that meeting at 13:12 on the day of the meeting indicating that "Myself or my colleagues will not be attending" (page 210 of the Bundle). Subsequently at 13:32 Mr Sawhney sent a further email (page 211) setting out the Claimant's position.

20. Following the aborted meeting a number of leaseholders signed a petition at page 68 in the bundle setting out their objections in the following terms:

"We the under signed formally object to the installation of security gates and/or the permanent use of security guards at the Trench Lock 3 industrial estate.

It is important for our business viability that our customers have free access to our units without the restriction of security gate and the proposed intercom system. We feel that this will be highly damaging to our business. We also object to the additional costs associated with the installation of this system which is being imposed upon us without any consultation whatsoever"

- 21. That petition was sent along with an email by Mark Jenkins (Unit 11) to Andrew Lamb of Harris Lamb on 15<sup>th</sup> August 2016 (pages 69-70). However, email at page 71 dated 25<sup>th</sup> October 2016 suggests that email may have been "misaddressed". I asked Mr Harris at the hearing whether or not he had seen that email and petition. Mr Harris confirmed that notwithstanding the suggestion that the email had been "misaddressed" it had actually come to his attention.
- 22. The automation of the main gates was painfully slow. At page 205 Mr Sawhney indicated in an email that works were anticipated to start on 8th August 2016 and "were anticipated to take a few weeks". Despite being proposed in July/August 2016 the gates were not fitted until October 2016 but at that stage were still not operational and manned security was still in place on a 24 hour, seven days per week basis. It was hoped that that the gates would be fully operational by the end of November. However, Mr Sawhney sent an email to leaseholders on 21st November 2016 explaining that the intercom was not ready as a tenant directory had yet to be installed (page 75). He emailed again on 29th November 2017 to advise that fobs had been distributed with a view to the system going live on Monday 5th December (page 77). The intercom and gating system went live on 5th December (page 78). For the period between July and December 2016 due to delays in automation costs of manned security guards were incurred on a 24 hour, seven days per week basis.
- 23. Regrettably the gate was vandalised on 22<sup>nd</sup> December 2016 (page 79) and provision was made for a security guard "from 5 a.m. until the last tenant leaves each day". There was further vandalism on 7<sup>th</sup> February 2017 (page 80). It appears that the gates had only been repaired "a few weeks ago". The gates were fully operational by 9<sup>th</sup> February 2019 (page 82) and the security guard was instructed to stand down.
- 24. On 9th February 2019 Mr Jenkins (Unit 11) sent an email to Mr Sawnhey (page 83) to dispute that the gates had been vandalised and to claim that the connection to the upright had broken and that the costs of repair should be the responsibility of the installation company. Certainly, the retrofitting of an automated system to existing non powered gates can be problematical especially if the gates had not been designed and installed with a view to automation at a later stage. Expert opinion is required to ensure that any proposal will be successful and account for the nature and volume of traffic likely to use the gates. A good functional design would need to consider access and manoeuvrability issues and any restrictions that would be imposed by features such as a central post. However, on this point I prefer the evidence of the Claimant that damage has been caused to the gate mechanism by leaseholders and third parties. Where CCTV evidence has been available and the offenders identified the police have been involved and the leaseholders involved have been recharged directly for costs incurred.

- 25. It is not suggested by the Claimant that either the First or Second Defendant has been responsible for any of the damage.
- 26. In his Witness Statement at paragraphs 59 onwards the Third Defendant has admitted that he has "taken matters into his own hands". In March 2017 he cut the first link of the chain securing the padlock on the central gates on 11 or 12 occasions. He has been given a Caution by the Police for criminal damage. At paragraphs 66 and 81 he has agreed to pay for the damage. At the hearing the Third Defendant accepted that he must pay the invoice in the sum of £575 plus VAT at page 282 relating to the provision and installation of locks and chains by Lockley Security. The Claimant also seeks to recover the costs of labour to find CCTV footage of incidents at "secondary gates" when "padlock cut off by tenant". The invoices for incidents on 13th, 16th, 23rd -25<sup>th</sup> and 27<sup>th</sup> – 31<sup>st</sup> March 2017 from Lexicon are at pages 283-287. It is the Third Defendant's case that as he notified the security guard of his actions and also notified Mr Sawhney (see emails 20<sup>th</sup> March to 24<sup>th</sup> March 2017 at pages 249 – 252) there was no need to view CCTV after the first 3 occasions as he had admitted his responsibility. The Third Defendant therefore contends that he should only pay £300 of the total demanded of £1100 for CCTV recovery and analysis (see paragraph 81 of Statement of Third Defendant at page 170).

#### The Leases

- 27. The Claimant's case is not well particularised. The Claimant seeks to recover a balancing charge for year ended 31<sup>st</sup> December 2016 but has not produced any supporting invoices or accounting reconciliation to explain how the sums claimed against each Defendant have been arrived at. I therefore confine myself to the Claimant's pleaded case which is that additional service charge costs have been incurred in relation to automation of gates and provision of manned guarding services. It is the Claimants pleaded case that those additional items of expenditure are recoverable as part of the Services set out at clauses 7.1(e) and 7.1(i) of the Lease.
- 28. All leases held by the Defendants are for present purposes in common form. Clause 7 deals with "Services and Service Charges". Clause 7.5 provides for the Tenant to pay an estimated Service Charge. Clause 7.10 provides for payment of a balancing charge.
- 29. Clause 1 "Interpretation" provides that the Service Charge is a fair proportion of the Service Costs. The Service Costs are listed at clause 7.2 and are the total of a) the costs of providing the Services (set out in clause 7.1) and other items of expenditure, b) costs of managing agents and accountants, c) all rates and taxes and d) VAT.
- 30. It is the Claimants case that automation of gates and provision of manned guarding services falls within two specific items of the Service set out in Clause 7.1:

## "The Services are

- e) cleaning, maintaining, repairing, operating and replacing security machinery and equipment (including closed circuit television) to the Common Parts:
- f) any other service or amenity that the Landlord may in its reasonable discretion acting in accordance with the principles of good estate management provide for the benefit of the tenants and occupiers of the Estate."
- 31. In her Skeleton Argument Miss Williams submits that service charge clause should be construed restrictively against the Landlord. I do not agree. At paragraph 23 of **Arnold v Britton** [2015] UKSC 36 Lord Neuberger said:

- "Seventhly, reference was made in argument to service charge clauses being construed "restrictively". I am unconvinced by the notion that service charge clauses are to be subject to any special rule of interpretation."
- 32. The correct approach is that set out in paragraph 15 of **Arnold v Britton**: "When interpreting a written contract, the court is concerned to identify the intention of the parties by reference to "what a reasonable person having all the background knowledge which would have been available to the parties would have understood them to be using the language in the contract to mean", to quote Lord Hoffmann in Chartbrook Ltd v Persimmon Homes Ltd [2009] UKHL 38, [2009] 1 AC 1101, para 14. And it does so by focusing on the meaning of the relevant words, in this case clause 3(2) of each of the 25 leases, in their documentary, factual and commercial context. That meaning has to be assessed in the light of (i) the natural and ordinary meaning of the clause, (ii) any other relevant provisions of the lease, (iii) the overall purpose of the clause and the lease, (iv) the facts and circumstances known or assumed by the parties at the time that the document was executed, and (v) commercial common sense, but (vi) disregarding subjective evidence of any party's intentions. In this connection, see Prenn at pp 1384-1386 and Reardon Smith Line Ltd v Yngvar Hansen-Tangen (trading as HE Hansen-Tangen) [1976] 1 WLR 989, 995-997 per Lord Wilberforce, Bank of Credit and Commerce International SA (in liquidation) v Ali [2002] 1 AC 251, para 8, per Lord Bingham, and the survey of more recent authorities in Rainy Sky, per Lord Clarke at paras 21-30."
- 33. Dealing firstly with clause 7.1 (e). I have no difficulty in finding that manned guarding services clearly do not fall within that clause. In relation to automation of gates the clause refers specifically to closed circuit television yet significantly fails to mention automation of gates. On my interpretation clause 7.1 (e) deals with the cleaning, maintenance, repair and replacement of *existing* equipment and does not extend to the installation of new or improved equipment.
- 34. Clause 7.1 (i) is indeed, as Ms Williams submits, a sweeping up clause. However, if the parties had intended the costs of automation of gates and provision of manned guarding services to be recoverable they would have mentioned those items expressly rather than leaving such costs to be caught by the sweeping up clause.
- 35. The Lease deals in detail with security machinery and equipment at clause 7.1(e). I find that the sweeping up clause cannot be construed as extending to automation of the gates. If the parties had intended the costs of automation of gates to be recoverable that item of expenditure would have been listed as part of the security machinery and equipment relating to the Common Parts.
- 36. The Services are listed at clause 7.1 in some detail and extend, for example, to even relatively minor matters such as the signboard at the entrance to the Estate (clause 7.1(g)). The failure to mention automation of the gates anywhere in the lease confirms my view that the parties did not intend that cost to form part of the Service Costs.
- 37. Nowhere in the Lease is there any reference to manned guarding services. The Lease specifically mentions managing agents and accountants at 7.2 (b) but does not mention security guards. Security is touched on, as set out above, at clause 7.1(e). If the parties had intended the costs of manned guarding services to be recoverable they would have said so. I find that the sweeping up clause does not cover those costs.

- 38. My findings in relation to construction of clauses 7.1(e) and (i) of the Lease are that neither automation of gates nor provision of manned guarding services form part of the Services and therefore do not form part of the Service Costs for which a Service Charge is payable by the Defendants.
- 39. That is sufficient to dispose of the claim. However, it may also assist the parties to set out my findings in relation to the exercise of the Landlord's reasonable discretion in acting in accordance with the principles of good estate management.

## Landlord's discretion

- 40. Miss Williams has referred me to **Finchbourne v Rodrigues** [1976] All ER 581 and in particular that it could not have been intended that the landlord should have an "unfettered discretion to adopt the highest conceivable standard and to charge the tenant with it".
- 41. The exercise of contractual discretion has more recently been considered by the Court of Appeal in **London Borough of Hounslow v Waaler** [2017] EWCA Civ 45 at paragraph 20:
  - "The Supreme Court gave extensive consideration to this question in *Braganza v BP Shipping Ltd* [2015] UKSC 17, [2015] 1 WLR 1661. It was, I believe, agreed by all members of the court that the exercise of a contractual discretion is constrained by an implied term that the decision-making process be lawful and rational in the public law sense, that the decision is made rationally (as well as in good faith) and consistently with its contractual purpose; and that the result is not so outrageous that no reasonable decision-maker could have reached it: [30] (Baroness Hale); [53] (Lord Hodge) and [103] (Lord Neuberger). However, as Lord Hodge pointed out this is a rationality review, not the application of an objective test of reasonableness."
- 42. Trench Lock 3 has a long history of transitory occupation by travellers. In 2016 only one/two caravans were involved. A small, out of the way, part of the development was occupied causing no significant nuisance or disruption to occupiers. The travellers stayed for a few days and were moved on by bailiffs. I repeat my findings at paragraph 14 above that no violence was used or threats of violence made by the travellers towards the landlord, leaseholders or other visitors to the development.
- 43. My finding is that 24 hour, 7 day per week manned security guarding for a period of 6 months was not a reasonable exercise of discretion in accordance with the principles of good estate management. I agree with Miss Williams' submissions at paragraph 34 of her Skeleton Argument. The approach taken by the Claimant was wholly disproportionate to the foreseeable and benign occupation of the development by one/two caravans. The correct approach was to ensure that leaseholders were made aware of the possibility of traveller occupation and were told to be vigilant in locking of the main and central gates. The travellers were moved on, as in the past, by the use of bailiffs.
- 44. Mr Harris was less than clear in his evidence as to who paid for automation of the main gates. Although in his oral evidence he suggested that the costs were borne solely by the Landlord the Service Charge Accounts show that part of the costs was passed on to the leaseholders. The automation of the gates was a painfully slow process. Delay in properly manging the project by the managing agents significantly increased the costs of manned guarding. Automation which was to have taken a few weeks in August was not completed until the beginning of December.

- 45. I find that Claimant failed act in accordance with the principles of good estate management in relation to automation of the gates. The Claimant failed to consider what benefits, if any, automation would provide for the tenants and occupiers of the Estate. I accept entirely the evidence of the Defendants that automation of the main gates and the locking of the central gates made HGV access far more difficult. The claimant failed to consider the detrimental effect on passing trade and the disruption to businesses of having to answer an intercom at frequent intervals at busy times. The Claimant also failed to consider that the Defendants only have a limited leasehold interest in their Units. Unit 11 was let on a 3 year term ending on 8<sup>th</sup> January 2017. Units 7 and 8 were let for 3 years ending 20<sup>th</sup> July 2017 and Units 16, 17 and 18 was let for 5 years ending 30<sup>th</sup> April 2021. In relation to the First and Second Defendants it is difficult to see what benefit automation would have in light of the imminent expiry of their leases.
- 46. At the hearing the Assessor asked Mr Harris whether he was aware of the Service Charges in Commercial Property: RICS Code of Practice (3<sup>rd</sup> Edition 2014) (which would have been applicable guidance prior to 2018). Mr Harris said that he was aware of its existence but not personally familiar with its contents.
- 47. The Commercial Code is relevant as compliance with its provisions would demonstrate reasonable exercise of discretion in accordance with the principles of good estate management. Paragraph 1.1 (page 9 of the Code) deals with standard and quality of service provision. That paragraph stresses "value for money" and "services beneficial and relevant to the needs of the property, its owner, its occupiers and their customers". Paragraph 2 deals with consultation: "considered best practice for managers to consult with occupiers with regard to standard and quality of the service provision(s) required". Also relevant is paragraph 3.3 which deals with "sweeper clauses".
- 48.I find that the Claimant has not provided value for money to the occupiers and customers of Trench Lock 3 in terms of disproportionate use of manned security guarding and unnecessary gate automation. Mr Harris told me when asked about consultation that "lack of a rolls Royce service but there was enough here to make tenants fully aware of likely expenditure". I take into account Mr Sawhney's refusal to meet with leaseholders on 12<sup>th</sup> August 2018 and the fact that the Claimant accepts that in relation to consultation "with hindsight not as good as it could have been reflected in 50% of budget amount. Landlord made a contribution".
- 49. I find that the Claimant has not exercised its reasonable discretion in relation to automation of gates and manned security guards in accordance with the principles of good estate management as required by clause 7.1 (i) of the Lease.

## The Third Defendant

- 50. In evidence the Third Defendant admitted causing damage to 11 or 12 locks and chains belonging to the Claimant. He must therefore pay the sum of £600 claimed in relation to installation of new locks and chains.
- 51. As a result of his actions the Claimant had to incur costs in relation to the recovery of CCTV evidence. Those costs are directly attributable to the criminal damage committed by the Third Defendant. I am not persuaded that CCTV recovery should be in any way limited. Damage was being committed by the Third Defendant and the Claimant was entitled to obtain and preserve evidence even though admissions were made. Accordingly, the Third Defendant must pay the further sum of £ £1110.
- 52. The Claimant is entitled to Court Fee of £205 and interest from 11<sup>th</sup> May 2017. I award interest in the sum of £106.88 for the period from 11<sup>th</sup> May 2017 to date of

judgement at the rate of 3% in accordance with my discretion under the County Courts Act 1984

## **Costs**

- 53. The First and Second Defendants seek an order for costs under CPR 27.14(2)(g).
- 54. This is a small claim. The gates were automated and security guards were employed. The Claimant incurred costs. The Lease provides for the payment of a service charge. The Claimant has lost on a matter of construction of the Leases. The Claimant has not behaved unreasonably.

#### **Decision**

- 55. The claim against the First Defendant is dismissed.
- 56. The claim against the Second Defendant is dismissed
- 57. The Third Defendant shall pay to the Claimant the sum of £1710 together with court fee of £205 and interest £106.88 totalling £2021.88.
- 58. No order for costs.

#### D Jackson

Judge of the First-tier Tribunal sitting as a Judge of the County Court

Appeals in respect of decisions made by the Tribunal Judge in his/her capacity as a Judge of the County Court

An application for permission to appeal may be made to the Tribunal Judge who dealt with your case or to an appeal judge in the County Court.

Please note: you must in any event lodge your appeal notice within 21 days of the date of the decision against which you wish to appeal.

Further information can be found at the County Court offices (not the tribunal offices) or on-line.