



**Residential
Property
TRIBUNAL SERVICE**

**SOUTHERN RENT ASSESSMENT PANEL
LEASEHOLD VALUATION TRIBUNAL**

Case Reference: CHI/45UE/LIS/2010/0037

**DECISION OF THE LEASEHOLD VALUATION TRIBUNAL ON AN
APPLICATION UNDER SECTION 27A OF THE
LANDLORD AND TENANT ACT 1985 (AS AMENDED)**

Premises: Richborough Court Church St West Green Crawley West Sussex
RH11 7UL

Applicant: Gateway Property Holdings Ltd

Respondent: TBM Portfolio Ltd

Appearances for Applicant: Mr B Meagher

Appearances for Respondent: Mr B Hurst, Mr A Spinter

Date of Hearing: 14 July 2010

Date of Decision: ...15 July 2010.....

Leasehold Valuation Tribunal: Mrs F J Silverman Dip Fr LLM

Lady Davies FRICS

Mr T Sennett MA MCIEH

DECISION

The Tribunal assesses the service charges payable by the Respondent for the years 2008-9 inclusive as detailed in paragraphs 12-23 (inclusive) below. The Respondent is the tenant of all eight flats in the block and is therefore responsible for payment of the total sums shown below.

REASONS

- 1 The Applicant who is the managing agent of the property made an application to the Tribunal on 13 April 2010 asking the Tribunal for a determination under s27A Landlord and Tenant Act 1985 in relation to service charges for the years 2008-9 (inclusive).
- 2 The Tribunal inspected the property on 14 July 2010.
- 3 The property is a two storey block of 8 flats situated on a quiet residential street close to the centre of Crawley. The property is constructed of brick with a tile hung upper storey under a pitched tiled roof and appears to have been built in the 1980's. Parking is available at the rear of the property with access through an archway in the centre of the ground floor. The four ground floor flats each have their own entrance at street level with access to the upper level flats being gained by an exterior staircase to a balcony leading to the front doors of the four upper level flats. There are no interior common parts of the property. Flat 1 has its own enclosed garden area to the rear of the block. There is a small grass area at the back of the other rear facing ground floor flat. Apart from a dustbin area (which appeared to have some damage to its brick

enclosure), and the tarmac surfaced parking area the only other common parts consist of the vehicle entrance through the archway from the road and a small area of overgrown garden at the rear of the property. The main structure of the property appeared to be in reasonable condition and the state of external decoration was fair. The window frames needed redecoration/varnish and there was a broken tile on the tiled part of the exterior. The property appeared to be in need of some care and attention and refurbishment. Local amenities including the hospital, town centre shops and a local parade of shops were all close to the property.

- 4 The Tribunal inspected the exterior of the property and exterior common parts. An internal inspection was not necessary.
- 5 The Respondent had not entered a response to the application and brought no evidence to the Tribunal to challenge the application.
- 6 The Respondent said that they had not received documentation relating to the application . They said they had changed their address and had notified the Applicant of the change but had not received any of the service charge demands from the Applicant which had all been sent to their previous address.
- 7 Despite this the Tribunal finds that the Respondent was aware of the application to the Tribunal and of the Directions issued by the Tribunal on 21 April 2010 because they wrote to the Tribunal on 26 April 2010 asking for further correspondence to be sent to them at their new address (this was done). Since the 26 April 2010 (date of the Respondent's letter to the Tribunal) they had not communicated either with the Applicant or with the Tribunal . They had not asked the Tribunal or the Applicant for further copies of the application and Applicant's statement of case nor had they sought to enter a response , adduce evidence or to seek an adjournment.
- 8 The Respondent said that a LPA Receiver had been appointed to the property which was therefore not under their control but produced no evidence to show the appointment of the Receiver. They remained however as the legal owners of the leases of the eight flats which comprised the block.

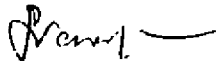
- 9 The Tribunal put the Applicant to proof of his case and since the Respondent was present at the hearing gave them the opportunity to state their views on the Applicant's evidence.
- 10 The issues before the Tribunal were the reasonableness of the service charges for the accounting years 2007-8 and 2008-9. Other items which appeared on the statements sent to the tenants such as ground rent and administration charges were not within the jurisdiction of the Tribunal under the present application.
- 11 A bundle of documents prepared by the Applicant was placed before the Tribunal for its consideration . Page references below are references to that bundle.
- 12 In relation to the 2007-8 accounts page 57 shows an amount of £390 being nominally transferred to a reserve account . The sum in question has not actually been transferred since it has not been paid by the Respondent. The leases under the property is held permit the setting up of a reserve fund (Clause 5 (2) (h)). The Tribunal considers that the sum of £390 is a reasonable amount to be transferred to a reserve fund and declares that this amount is payable in full by the Respondent.
- 13 For the same year the Applicant had charged the Respondent the sum of £715 for garden and ground maintenance. Invoices were produced for each of the items which made up this sum. The Respondent said that no grounds maintenance had been done but produced no evidence that they had complained to the Applicant about the state of the grounds and no evidence to challenge the fact that the maintenance had not been done or that the invoices were in any way invalid. The Respondents do not live at the property and did not inspect it on a regular basis. Although the garden was not well maintained at the time of the Tribunal's inspection there is no evidence to suggest that the garden and grounds maintenance had not been done as detailed on the relevant invoices. The Tribunal finds therefore that the sum of £715 is a reasonable charge for this work and this sum is payable in full by the Respondent .

- 14 The 2007-8 accounts show a charge of £65 being made for replacement exterior lights and bulbs. An invoice was produced for this amount. The Tribunal considers that this is a reasonable sum for the work done and allows it in full. This amount is therefore payable in full by the Respondent.
- 15 Similarly, in 2007-8 a charge of £1435, supported by its relevant invoice, was made for repairs and renewals which the Tribunal finds to be reasonable and which is therefore payable in full by the Respondent.
- 16 The Respondent conceded that the management fee of £379 and the accountancy fees of £353 charged in 2007-08 were reasonable. These sums are therefore both payable in full by the Respondent.
- 17 In relation to the 2008-9 accounts page 64 shows an amount of £16,923 being nominally transferred to a reserve account. The sum in question has not actually been transferred since it has not been paid by the Respondent. The leases under the property is held permit the setting up of a reserve fund (Clause 5 (2) (h)). The Tribunal considers that the sum of £16,923 is a reasonable and prudent amount to be transferred to a reserve fund to meet future major works and declares that this amount is payable in full by the Respondent.
- 18 For the same year the Applicant had charged the Respondent the sum of £245 for garden and ground maintenance. Invoices were produced for each of the items which made up this sum. The Respondent said that no grounds maintenance had been done but produced no evidence that they had complained to the Applicant about the state of the grounds and no evidence to challenge the fact that the maintenance had not been done or that the invoices were in any way invalid. The Respondent do not live at the property and did not inspect it on a regular basis. Although the garden was not well maintained at the time of the Tribunal's inspection there is no evidence to suggest that the garden and grounds maintenance had not been done as detailed on the relevant invoices. The Tribunal finds therefore that the sum of £245 is a reasonable

charge for this work and this sum is payable in full by the Respondent .

- 19** Lighting, heating and power for the year 2008-9 were charged at £154 and evidenced by production by the Applicant of the relevant electricity bills (pages 92-95). The Tribunal finds this sum to be reasonable and it is therefore payable in full by the Respondent.
- 20** Insurance for the year 2008-9 was charged at £1,184 as evidenced by the receipt on page 100 and copy of the policy produced by the Applicant at the hearing. The Tribunal finds that this sum is reasonable and declares that it is payable in full by the Respondent.
- 21** Repairs and renewals for the year 2008-9 were charged at £65 (invoice on page 91) and related to dealing with a blocked drain. The Tribunal finds that this sum is reasonable and declares that it is payable in full by the Respondent.
- 22** The Respondent conceded that the management fee of £1,758 and the accountancy fees of £338 charged in 2008-09 were reasonable. The management fee charged for this year represents the charges for the entire year whereas the lower charge made in the previous year had been made only for the part of the year during which the Applicant had been responsible for the management of the property. These sums are therefore both payable in full by the Respondent.
- 23** Under Clause 1(1) of the fifth schedule to the lease the Applicant is entitled to charge 'any other costs and expenses reasonably and properly incurred in connection with the Building...' . The Tribunal finds that the wording of this clause would encompass reasonably incurred bank charges and thus allows the sum of £5 charged to the Respondent for this item in the 2008-9 accounts. The Tribunal finds that this sum is reasonable and declares that it is payable in full by the Respondent.

24 None of the service charge statements produced to the Tribunal by the Applicant contained the prescribed information to tenants required by s21B Landlord and Tenant Act 1985. The Applicant said that the copies sent to the tenants did contain this information but was unable to produce evidence that this had been done. The sums payable by the Respondent under paragraphs 12-23 above are not recoverable by the Applicant until such time as the Applicant serves on the Respondent copies of the relevant demands/statements which contain the prescribed information.



Frances Silverman

Chairman

15 July 2010