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Residential
Property
TRIBUNAL SERVICE

**LONDON RENT ASSESSMENT PANEL
LEASEHOLD VALUATION TRIBUNAL**

Case Reference: LON/OOBE/LSC/2010/0474

**THE LEASEHOLD VALUATION TRIBUNAL ON AN APPLICATION UNDER
SECTION 27A and 20C of the Landlord and Tenant act 1985**

Applicant: Kieron Narendra Bose

Respondent: The Mayor and Burgesses of the London Borough of Southwark

Premises: 69a Brook Drive, London SE11 4TU

Date of Application 25 June 2010

Date of Directions 12 July 2010

Date of Determination 21 October 2010

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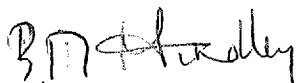
**Leasehold Valuation Tribunal: Mrs B. M. Hindley LL.B
Mr W. J. Reed FRICS**

1. This is an application, dated 25 June 2010, under Section 27A of the Landlord and Tenant Act 1985, to determine the reasonableness of costs charged in connection with major works in respect of which a Section 20 notice was served, dated 6 July 2005.
2. Directions were issued on 12 July 2010 in which it was noted that the applicant considered that the proportion of the costs allocated to him, as the leaseholder of flat 69A (one of the two flats comprising the building) was not 'fair' as required by paragraph 6 of the Third Schedule to his lease.
3. Both parties agreed that a determination should be made without an oral hearing.
4. The applicant holds under a lease dated 7 January 1985 between the London Borough of Southwark and David John Smallman for a term of 125 years from 7 January 1985 at a yearly ground rent of £10. On or around 4 March 1992 the lease was assigned to the applicant.
5. Under the terms of the lease the respondent has an obligation to keep in repair the structure and exterior of the building. The building being defined as 69 Brook Drive.
6. In accordance with Clause 6 (2) of the Third Schedule 'The Council may adopt any reasonable method of ascertaining the said proportion and may adopt different methods in relation to different items of costs and expenses.'
7. By the Section 20 notice dated 6 July 2005 the applicant was informed that the respondents were going to carry out major interior and exterior works to the building at a total cost of £5,344.06p and that as a result of adopting an apportionment based on a bed weighting method in each flat, the applicant was to pay £2,877.57 ($7/13 \times £5,344.06p$). To which was added a further cost in respect of a fraction ($1/84$) of the cost of works to the front garden walls - £1,890.65 and professional and management fees. These were charged, respectively, at 8.65% and 10%. The applicant's total estimated contribution was, therefore, £5,657.49.
8. On 31 October 2005 the applicant was sent an invoice in the sum of £5,226.09.
9. On 3 July 2009 the applicant was sent an invoice in the sum of £5,226.09p plus a final charge adjustment in the sum of £2,083.32 making a total of £7,309.41
10. On 6 July 2009 the applicant was informed by letter from the respondents that the actual cost of the works to the building had been £12,050.28 and that as a result, adopting the same method of apportionment as previously, his contribution was £6,488.61. The professional fees within this figure remained at 8.65% but the respondent's administration fees were reduced from 10% to 4%.
11. On 1 December 2009 the applicant was apparently informed that the final account had been revised and that his total contribution was now £5,855.14.
12. On 3 February 2010 this cost was, apparently further reduced to £5,717.32.
13. On 5 March 2010 the applicant was informed that whilst the original final account was in the sum of £7,309.41p it had been revised to £5,717.32.
14. On 22 March 2010 this charge of £5,717.32 was confirmed to the applicant by the respondents.
15. The applicant does not suggest that either the cost or the standard of the works was not reasonable but in his statement of case he complains that much of the work to the building had been to Flat B rather than to his flat (A). He was, therefore, of the opinion that the method of apportionment adopted – based on the

bed weighting method - was not fair. In particular, he asserted that work to the windows had not included his flat.

16. The respondents claimed that the bed weighting methodology adopted was a reasonable method and had been agreed with the Leaseholder Council.
17. Further, the respondents pointed out that the lease allowed the Council to charge a proportion of works carried out to the structure of the building, which included the windows and doors since, in accordance with Clause 1 of the lease, these are not part of the demise of the individual flats.
18. The Tribunal, as an expert Tribunal, is aware that the bed weighting method of apportionment is one frequently adopted by local authorities and they are of the opinion that it is as fair a method as any other which might be adopted - such as rateable values (now historic) or floor areas. Any method of apportionment must, of necessity be a blunt instrument and no method of general application can be entirely fair in all circumstances.
19. The Tribunal also notes that under the terms of the applicant's lease the building is defined as 69 Brook Drive which, therefore, encompasses both flats. As with any block of flats such a definition results in some leaseholders paying service charges in respect of works from which they derive no direct benefit - the most obvious example being ground floor tenants paying a contribution towards the costs of a lift. However, such tenants do benefit from living in a more prestigious block, in the same way that the applicant derives benefit from living in a building all of which is in good repair.
20. Accordingly, the Tribunal determines that the sum of £5,717.32 is reasonable, reasonably incurred and, therefore, payable in connection with the major works.
21. The applicant further requested a set off in connection with a loss of rent (£340) which he had suffered whilst the works were being carried out. He also claimed to have additional costs as a result of returning from Thailand to inspect the works.
22. The Tribunal does not consider that either of these claims fall within its powers under this Section 27A application.
23. The applicant also sought an order under Section 20C of the Landlord and Tenant Act 1985 but the Tribunal notes that the respondents have undertaken not to seek to recover their costs in connection with these proceedings. However, for the avoidance of doubt, the Tribunal considers it just and equitable to make such an order.

Chairman



Date 21/10/10.