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**HM COURTS AND TRIBUNALS SERVICE**

**LEASEHOLD VALUATION TRIBUNAL  
OF THE  
MIDLAND RENT ASSESSMENT PANEL**

BIR/37UC/LSC/2012/0016

*DECISION OF THE LEASEHOLD VALUATION TRIBUNAL  
ON APPLICATIONS UNDER*

- (i) SECTION 27A OF THE LANDLORD AND TENANT ACT 1985  
(ii) SECTION 20C OF THE LANDLORD AND TENANT ACT 1985*

Applicant: RMB Trading Limited (Freeholder)

Respondents: Mr James Syson and others (Leaseholders)

Subject properties: 46 Flats at  
Lanchester Gardens  
Worksop  
Nottinghamshire  
S80 2PN

Date of application: 24 April 2012

Date of hearing: 16 October 2012

Members of the Tribunal: Professor N P Gravells  
Mr R A Kington FRICS

Date of determination: **29 NOV 2012**

## Introduction

- 1 This is a decision on an application made to the Leasehold Valuation Tribunal by RMB Trading Limited, freeholder of 46 flats at Lanchester Gardens, Worksop, Nottinghamshire, S80 2PN ('the subject properties'). The application is under section 27A of the Landlord and Tenant Act 1985 ('the 1985 Act') for the determination of the liability of the Respondents, the leaseholders of the subject properties, to pay service charges in respect of those properties.
- 2 In the context of that application, the Respondents made an application under section 20C of the 1985 Act for an order for the limitation of costs.
- 3 During the period covered by the application (1 June 2007 to 31 December 2012), the subject properties have been managed on behalf of the Applicant by three successive management companies:  
1 June 2007 to 8 April 2009: Bellfields Property Developments  
9 April 2009 to 31 August 2010: Blue Property Management UK Limited  
1 September 2010 to 31 December: CP Bigwood
- 4 In accordance with the clauses 7 and 13 of, and the Fifth and Sixth Schedules to, the leases, during the period covered by the present application heads of service charge expenditure itemised in the accounts have included:
  - Buildings insurance
  - Cleaning/caretaking
  - Window cleaning
  - Car park/bin area maintenance
  - Repairs and maintenance
  - Maintenance agreements
  - Gardening
  - Electricity
  - Water
  - Security
  - Fire equipment
  - Health and safety risk assessment
  - Fire risk assessment
  - Reserve fund
  - Bank charges
  - Professional fees
  - Legal fees
  - Accountancy fees
  - Management fees
- 5 Pursuant to paragraph 6 of Part III of the Sixth Schedule to the leases, the original apportionment of the service charge costs has been varied and each of the leaseholders is currently liable to pay an equal proportion of those costs.
- 6 By the present application, the Applicant seeks a determination that the service charges demanded in respect of the service charge years (1 January to 31 December) from 2007 (part year) to 2011, and estimated for the service charge year 2012, are reasonable and payable by the Respondents.
- 7 The Tribunal issued Directions on 18 May 2012, requiring the Respondents to particularise their challenge to the service charges.

## **Inspection and hearing**

- 8 On 16 October 2012 the members of the Tribunal inspected the internal and external common parts of Lanchester Gardens. Present were (i) Mr Stephen Boon, of Eyre and Johnson, representing the Applicant together with Mr Peter Evans, Mr Tony Howard and Mr Anthony Howard (representing Blue Property Maintenance UK Limited ('Blue Property')) and Ms Diana Van Aperen and Ms Beverley Wotton (representing CP Bigwood) and (ii) Mr James Syson, representing the Respondents.
- 9 Immediately following the inspection a hearing was held at the Worksop Magistrates' Court. In addition to those persons present at the inspection, the hearing was attended by Mr Kam Jaspal, of Counsel, and Mr Jonathan Ho, of Ellis-Fermor and Negus, both representing the Respondents, together with a number of the Respondent leaseholders.

## **Representations of the parties**

- 10 So far as relevant to the determination of the Tribunal, the representations of the parties are referred to below.

## **Determination of the Tribunal**

- 11 In determining the issues in dispute between the parties the Tribunal took account of all relevant evidence and submissions presented by the parties.

## Preliminary issues

- 12 Mr Boon raised as a preliminary issue the question of the Respondents' compliance with the Tribunal's Directions issued on 18 May 2012. He noted that the Directions were very specific. Paragraph 1 required the Applicant to clarify two matters relating to (i) the periods covered by the service charge accounts and (ii) the apportionment of service charge expenditure among the subject properties. Paragraph 2 required the Respondents to provide
- 'a written statement in the form of an itemised list for each service charge year to which the application relates, indicating -
- (i) any service charge item in respect of which the Respondents allege (a) that the costs incurred by the Applicant were not reasonably incurred and/or (b) that the relevant services or works were not of a reasonable standard and/or (c) that the Respondents are not liable to pay the service charge demanded by the Applicant;
  - (ii) where the Respondents allege that costs were not reasonably incurred or that the relevant services or works were not of a reasonable standard, the reason(s) for that allegation;
  - (iii) where the Respondents allege that they are not liable to pay the service charge demanded, the grounds on which the Respondents rely;
  - (iv) where the Respondents accept that they are liable to pay a service charge in respect of a particular service charge item, but allege that the charge is unreasonable, the figure that in the view of the Respondents would be a reasonable charge; and
  - (v) the evidence on which the Respondents intend to rely in relation to the issues of reasonableness and liability to pay.'

The Applicant was then required to provide a written statement in response.

Mr Boon submitted that the written statement dated 20 June 2012 submitted by Mr Syson on behalf of the Respondents failed to comply with paragraph 2 of the Directions. Although the statement included critical comments about certain heads of service charge expenditure, it provided none of the details required by the Directions. That made it extremely difficult for the Applicant to identify the challenges to which it was required to respond. Mr Boon referred to the recent decision of the Upper Tribunal (Lands Chamber) in *Birmingham City Council v Keddle* [2011] UKUT 323 (LC), in which His Honour Judge Gerald said (at paragraphs 15-18):

'[15] Applications [under section 27A of the 1985 Act] are commenced by landlord or tenant issuing a pro forma application form prescribed by the Residential Property Tribunal Service which requires that details of the questions relating to service charge expenditure requiring resolution by the LVT be set out. If they are not sufficiently set out, as is often the case, the LVT will at the pre-trial review order that the applicant serve a statement of case giving full particulars of precisely what is in issue and why. The respondent will be ordered to serve a statement of case setting out its case to which the applicant will usually be given an opportunity to respond if he so wishes by serving a statement of case in reply.

[16] Those documents, whether they be described as pleadings or statements of case or whatever, set out the nature and scope of the issues in dispute. They operate to limit the issues in respect of which the parties must adduce evidence in support of their respective cases. They also operate to define the issues in respect of which they seek resolution by the LVT. They therefore serve five functions. First, to identify the issues. Secondly, to enable the parties to know what issues they must address their evidence to. Thirdly, to vest the LVT with jurisdiction, and focus the LVT's attention on what needs to be resolved. Fourthly, setting the parameters of, and providing the tools within which, the LVT may case manage the application. Fifthly, by confining the issues requiring resolution to what is actually (as distinct from what might theoretically be) in dispute between the parties they will be assured economical and expeditious disposal of their dispute whilst also promoting efficient and economical use of judicial resources at first instance and appellate levels.

[17] In this respect, it is important to bear in mind not just that the jurisdiction of the LVT is a creature of statute but that it is also a function of what the applicant and, by his response, the respondent wish the LVT to resolve. It is the jurisdiction and function of the LVT to resolve issues which it is asked to resolve, provided they are within its statutory jurisdiction. It is not the function of the LVT to resolve issues which it has not been asked to resolve, in respect of which it will have no jurisdiction. Neither is it its function to embark upon its own inquisitorial process and identify issues for resolution which neither party has asked it to resolve, and neither does it have the jurisdiction to do so. To do so would be inimical to the party-and-party nature of applications to the LVT and would greatly increase the costs (frequently recoverable from the tenant through the service charge) and difficulties attendant to service charge disputes which by their nature are frequently fractious, involving relatively small sums within a complex matrix of divers items of expenditure.

[18] It follows from the above that the LVT does not have jurisdiction under section 27A "to determine the entire service charge not only the matters in dispute, pleaded or otherwise specifically identified in the Service Charge application" .... It is not an inquisitorial tribunal. It is there to resolve issues it is asked to resolve, not uncover ones which do not exist or which the parties are not concerned about.'

- 14 Mr Boon did not press his argument to the extreme. However, he submitted that the Tribunal should refuse to consider – indeed had no jurisdiction to consider - heads of expenditure which were not mentioned in the Respondents' statement dated 20 June 2012.
- 15 On behalf of the Respondents it was submitted that further particularisation was provided in their bundle of documents and in a document entitled 'Skeleton Argument' drafted by Mr Jaspal.
- 16 The Tribunal rejected the Respondents' submissions. The Respondent's bundle of documents was received only three working days before the hearing. It extended to 449 pages and largely comprised copies of historic correspondence between Mr Syson and representatives of the successive managing agents; but it did not provide the particularisation that was required by the Directions. The 'skeleton argument', which was not seen by the Applicant until the hearing, simply listed the Respondents' proposed figures for each head of service charge expenditure.
- 17 In accordance with Mr Boon's less extreme submission, the Tribunal concluded that its jurisdiction was limited to the consideration of those heads of service charge expenditure mentioned (even if not particularised) in the Respondents' statement dated 20 June 2012.

#### Service charge years and issues in dispute

- 18 The Respondents do not challenge the reasonableness of, or their liability to pay, the service charge expenditure for the period 1 June 2007 to 8 April 2009, the period immediately before the appointment of Blue Property as the managing agent for the subject properties.
- 19 The Tribunal therefore determines that, subject to deficits and surpluses brought forward and carried forward, the Respondents are liable to pay to the Applicant service charges totalling £29,824.12 for the period 1 June 2007 to 8 April 2009 (as detailed in the service charge accounts).
- 20 In accordance with the conclusion of the Tribunal in paragraph 17 above, and concessions on the part of the Respondents, the following heads of service charge expenditure are in dispute for the period during which Blue Property was the managing agent for the subject properties:
- 9 April 2009 to 31 December 2009
- Cleaning/caretaking
  - Window cleaning
  - Gardening
  - Management fees
- 1 January 2010 to 31 August 2010
- Cleaning/caretaking
  - Window cleaning
- 21 In accordance with the conclusion of the Tribunal in paragraph 17 above, and concessions on the part of the Respondents, the following heads of service charge expenditure are in dispute for the period during which CP Bigwood has been the managing agent for the subject properties:
- 1 September 2010 to 31 December 2010
- Management fees

1 January 2012 to 31 December 2012

- Buildings insurance
- Repairs and maintenance (contingency)
- Car park/bin area maintenance
- Additional management fees

#### Subject properties

- 22 The Lanchester Gardens development was built around 40/50 years ago as a local authority nursing home. When the institutional use ceased, the development was sold and converted into 46 self-contained flats, located within two interlinked two-storey blocks. The development shows indications of poor maintenance since its early life and consequent deterioration of the fabric of the building, in particular the roofed areas.
- 23 It is common ground that the development has a history of external and internal vandalism. However, at the time of the inspection, the interior of the property appeared to be reasonably well maintained.
- 24 The Tribunal invited Mr Syson and representatives of Blue Property and CP Bigwood to describe the condition of the development when Blue Property and CP Bigwood assumed responsibility for the management of the development in April 2009 and September 2010 respectively. Perhaps not surprisingly, the evidence given by all the parties was somewhat self-serving.
- 25 Mr Syson described the development as 'pristine' and 'in excellent shape' when Blue Property was appointed as the managing agent, while the representatives of Blue Property variously described the condition of the development as 'quite poor' and 'verging on the derelict'. Bearing in mind that the Respondents expressly stated in their written statement that they were not challenging the service charge expenditure before Blue Property became the managing agent, the Tribunal finds that the true position was probably closer to Mr Syson's description.
- 26 As to the condition of the development when CP Bigwood assumed responsibility for the management of the development in September 2010, the representatives of Blue Property painted a favourable picture while Ms Van Aperen, on behalf of CP Bigwood, described the condition as 'unacceptable'. The Tribunal finds that the true position was probably closer to Ms Van Aperen's description.

#### Reasonableness and payability

- 27 All monetary sums in this determination are inclusive of VAT unless otherwise stated.

9 April 2009 to 31 December 2009 (Blue Property)

#### *Cleaning/caretaking*

- 28 Following closer examination of the documentation, Mr Evans, on behalf of Blue Property, accepted that the figure of £8832 in the service charge accounts for cleaning/caretaking included £3450 for gardening, which appeared as a separate line in the accounts; and that the figure for cleaning/caretaking should therefore be reduced by £3450.

- 29 Based on Mr Evans' evidence that the hourly rate for cleaning was £20 plus VAT, the resultant figure of £5382 represented weekly visits of approximately six hours' duration.
- 30 Mr Syson alleged that cleaning was not carried out every week and was of a poor standard, although, in cross-examination by Mr Boon, he accepted that he had not maintained any record of cleaning work or of complaints to Blue Property and that he had no photographic evidence to support his allegations. He suggested that a reasonable figure would be £1500.
- 31 Using its general knowledge as an expert tribunal, the Tribunal determines (i) that an hourly rate for cleaning of £20 is excessive and (ii) that a reasonable charge for weekly cleaning would be £100. For the nine-month period in question, the total cost would therefore be £3900. However, the Tribunal accepts that cleaning was not always carried out weekly and/or was not consistently carried out to a reasonable standard.
- 32 The Tribunal therefore determines that a reasonable figure for cleaning/ caretaking would be £2000.

#### *Window cleaning*

- 33 Mr Evans stated that the windows were cleaned at two-month intervals; and that, in the period 9 April 2009 to 31 December 2009, there were five visits at a charge of £432.20 per visit, producing the figure of £2116 that appeared in the service charge accounts.
- 34 Mr Syson alleged that no window cleaning had been carried out, although again, in cross-examination by Mr Boon, he accepted that he had not maintained any record of his own visits to the development or of complaints to Blue Property and that he had no photographic evidence to support his allegations. He suggested that there should be no charge for window cleaning.
- 35 The Tribunal noted some obvious errors in the Applicant's documentation, which raise doubts as to the complete reliability of that documentation: the first invoice for window cleaning was dated 2 March 2009, some five weeks before Blue Property became the managing agent for the development.
- 36 The Tribunal finds that window cleaning was not always carried out and/or was not consistently carried out to a reasonable standard. On that basis it determines that the Applicant should be entitled to recover the costs of two visits at a charge of £400 per visit.
- 37 The Tribunal therefore determines that a reasonable figure for window cleaning would be £800.

#### *Gardening*

- 38 Mr Evans stated that the gardeners made 21 visits to the development to cut the lawns and to carry out other gardening work (such as pruning) at a monthly charge of £345.
- 39 Mr Syson alleged that there had been only three visits during 2009, although again, in cross-examination by Mr Boon, he accepted that he had not maintained any record of gardening work or of complaints to Blue

Property and that he had no photographic evidence to support his allegations. He suggested that a reasonable figure would be £1000.

- 40 Again the Tribunal noted some errors in the Applicant's documentation, which raise doubts as to the complete reliability of that documentation: the first invoice for gardening was dated 2 March 2009, some five weeks before Blue Property became the managing agent for the development.
- 41 The Tribunal does not accept Mr Syson's allegation that there were only three gardening visits during 2009. Using its general knowledge as an expert tribunal, the Tribunal determines (i) that visits at two-weekly intervals during the growing season would be reasonable and (ii) that a reasonable charge would be £150 per visit. For the period in question, the total cost would therefore be approximately £2000.
- 42 The Tribunal therefore determines that a reasonable figure for gardening would be £2000.

#### *Management fees*

- 43 The figure of £5479 included in the service charge accounts represents a management fee of approximately £160 per flat per year.
- 44 Mr Syson alleged that Blue Property provided no effective overall management. Specific allegations concerned poor management of the cleaners and gardeners, on-going failure to communicate with leaseholders and on-going failure to address the issues of vandalism and security. Mr Syson suggested that a reasonable management fee would have been between £100 and £125 per flat per year; but, on the basis of the standard of management actually provided, he proposed the global figure of £1862.86 (which approximates to £40 per flat for the last nine months of 2009). Mr Boon argued that Mr Syson's allegations were very generalised and he noted that Mr Syson was not resident at the development.
- 45 Using its general knowledge as an expert tribunal, the Tribunal determines that the Lanchester Gardens development poses significant challenges for any managing agent and that a reasonable management fee would be £200 per flat per year.
- 46 However, the Tribunal finds that the standard of management provided by Blue Property was well below the standard that could reasonably have been expected. In particular, Blue Property seems to have made no serious attempt to address the known problems that affected the development – problems that have subsequently been addressed by CP Bigwood.
- 47 The Tribunal therefore determines that a reasonable figure for management for the last nine months of 2009 would be £50 per unit (a total of £2300).

1 January 2010 to 31 August 2010 (Blue Property)

#### *Cleaning/caretaking*

- 48 Following closer examination of the documentation, Mr Evans, on behalf of Blue Property, accepted that the figure of £5872.02 in the accounts for cleaning/caretaking included £2115 for gardening, which appeared as a separate line in the accounts; and that the figure for cleaning/caretaking should therefore be reduced by £2115.



- 49 The parties' representations were similar to those in respect of the period 9 April 2009 to 31 December 2009: see paragraphs 29-30 above. Mr Syson suggested that a reasonable figure would be £1500.
- 50 The Tribunal notes that no invoices were raised in respect of cleaning/ caretaking after June 2010 and Mr Evans did not suggest that cleaning had in fact been carried out during the remainder of Blue Property's period of management.
- 51 Using its general knowledge as an expert tribunal, the Tribunal determines that a reasonable charge for weekly cleaning would be £100. For the six-month period during which cleaning was purportedly being carried out, the total cost would therefore be £2600. However, the Tribunal accepts that cleaning was not always carried out weekly and/or was not consistently carried out to a reasonable standard.
- 52 The Tribunal therefore determines that a reasonable figure for cleaning/ caretaking would be £1300.

#### *Window cleaning*

- 53 The figure of £864.80 included in the service charge accounts represents the cost of two visits at a charge of £432.40 per visit.
- 54 The parties' representations were similar to those in respect of the period 9 April 2009 to 31 December 2009: see paragraphs 33-34 above. Mr Syson suggested that there should be no charge for window cleaning.
- 55 The Tribunal finds that window cleaning was not consistently carried out to a reasonable standard. On that basis it determines that the Applicant should be entitled to recover the costs of two visits at a charge of £400 per visit.
- 56 The Tribunal therefore determines that a reasonable figure for window cleaning would be £800.

1 September 2010 to 31 December 2010 (CP Bigwood)

#### *Management fees*

- 57 The figure of £4391.55 included in the service charge accounts represents a management fee of approximately £286 per flat per year.
- 58 Mr Syson alleged that CP Bigwood had failed to address the issues of (i) vandalism and security on the development and (ii) service charge arrears. The Respondents felt that they were unreasonably being required to pay for the shortcomings of the previous management agency. Mr Syson proposed the global figure of £2195.78 (which approximates to £48 per flat for the last four months of 2009).
- 59 Mr Boon, on behalf of the Applicant, submitted that Mr Syson's representations constituted speculation on what he might have done; and that they were not relevant to the question of reasonableness. He also noted that the change of managing agent was prompted by the leaseholders themselves.

- 60 Using its general knowledge as an expert tribunal, for the reason noted above (see paragraph 45) the Tribunal determines that a reasonable management fee would be £200 per flat per year. Moreover, the Tribunal is satisfied that CP Bigwood provided a reasonable standard of management.
- 61 The Tribunal therefore determines that a reasonable figure for management for the last four months of 2010 would be £66.67 per unit (a total of £3066.82).

1 January 2012 to 31 December 2012 (CP Bigwood)

- 62 In respect of the budget for 2012 the Tribunal has jurisdiction under section 27A(3) of the 1985 Act to determine whether, if costs were incurred under the heads of service charge expenditure, the amount included in the budget would be reasonable. In the view of the Tribunal, evidence of actual costs for 2012 for some heads of service charge expenditure may be a relevant consideration in making that determination.

#### *Buildings insurance*

- 63 The amount included in the budget for buildings insurance is £30,000. However, the current certificate insurance shows that insurance for 2012/2013 has been obtained for a premium of £20,552.13. In response to questions from the Tribunal, Mr Boon stated that neither the Applicant nor CP Bigwood received any commission from the insurance company or the broker.
- 64 Mr Syson asserted that he had had discussions with insurance companies and insurance brokers and that off the record they had quoted premiums in the region of £15,000.
- 65 In the absence of a written quotation on similar terms for the Lanchester Gardens development, the Tribunal could not attach any weight to any 'off the record' quotations given to Mr Syson.
- 66 In the light of the actual premium payable, the Tribunal determines that a reasonable figure to be included in the service charge budget for buildings insurance would be £20,552.13.

#### *Repairs and maintenance*

- 67 The amount included in the budget for repairs and maintenance (in addition to the budget of £15,000 for works already identified) is £7500.
- 68 Mr Syson questioned the need for the inclusion of this budget line, bearing in mind the provision for works already identified and the contribution to the reserve fund; but he suggested that the figure of £1500 would be reasonable. However, when Ms Van Aperen explained that £2500 had already been spent from this budget, he increased his suggested figure to £4000.
- 69 Using its general knowledge as an expert tribunal, the Tribunal determines that a reasonable figure to be included in the service charge budget for repairs and maintenance (in addition to the budget of £15,000 for works already identified) would be £4000.

### *Car park/bin area maintenance*

- 70 The amount included in the budget for car park/bin area maintenance is £2600.
- 71 Mr Syson questioned what costs were anticipated under this head of expenditure. Ms Van Aperen indicated that the budget line was primarily included for the costs of cleaning the bin area. Mr Syson suggested that figure of £500 would be reasonable.
- 72 Using its general knowledge as an expert tribunal, the Tribunal determines that a reasonable figure to be included in the service charge budget for car park/bin area maintenance would be £500.

### *Additional management fees*

- 73 The amount included in the budget for additional management fees is £4140 (£90 per flat per year). The budget identifies that these additional fees relate to meetings with external agencies (local authority councillors, police, anti-social behaviour department, local enforcement officers) and additional management duties consequent upon such meetings).
- 74 Although the Respondents accept that they are precluded from challenging the 'basic' management fee (see paragraphs 12-17 above), Mr Syson questioned whether that basic fee should not cover the additional management functions identified.
- 75 The Tribunal agrees with the Respondents' argument. The basic fee included in the budget is £12,450 (approximately £270 per flat per year). Bearing in mind the conclusion of the Tribunal that a reasonable management fee would be £200 per flat per year, the Tribunal is of the view that an additional management fee against the background of a high basic management fee would be unreasonable.
- 76 The Tribunal therefore determines that the additional management fee would not be reasonable and that it is not payable.

### Order for the limitation of costs

- 77 The Respondents made an application under section 20C of the 1985 Act, which provides (so far as material):
- (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 ... or leasehold valuation tribunal ... 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.
- ...
- (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.
- 78 The Respondents argued that unless the Tribunal upheld the Applicant's section 27A application in full, the Tribunal should make an order precluding the Applicant from recovering its legal costs in connection with the application through the service charge.

- 79 The Applicant argued that it was entitled under the terms of the lease to recover legal costs and that, since an order under section 20C would deprive the Applicant of that entitlement, the Tribunal should exercise its discretion very sparingly.
- 80 The Tribunal does not accept either argument. The Respondents' 'all or nothing' argument effectively disregards the wording of section 20C, which clearly contemplates that the Tribunal has jurisdiction to make an order in respect of part of the costs incurred. In the view of the Tribunal, the Applicant's argument is also misconceived. If the Applicant had no entitlement under the lease to recover legal costs, a section 20C order would be unnecessary. It follows that the existence of that entitlement cannot of itself be a reason for not exercising the discretion under section 20C(3).
- 81 In the view of the Tribunal, it was highly unlikely that the dispute between the parties would be resolved without recourse to the Leasehold Valuation Tribunal (whether by direct application or on a transfer from the county court). Although the Tribunal has determined that the Respondents are liable to pay a very significant proportion of the service charges demanded by the Applicant, in all but one of the limited range of matters actually considered by the Tribunal, the Respondents have persuaded the Tribunal that the charges were unreasonable.
- 82 In the circumstances, the Tribunal determines that it is just and equitable that the parties should pay their own costs. The Tribunal therefore orders that the costs incurred by the Applicant in connection with the proceedings before the Tribunal are not to be regarded as relevant costs to be taken into account in determining the amount of any service charge payable by the Respondents. The sum of £6000 for legal fees included in the service charge budget for 2012 is therefore disallowed.

### Summary

- 83 The figures that are not disputed (or not open to challenge) by the Respondents and the figures determined by the Tribunal are summarised below:

(a) 1 June 2007 to 8 April 2009 (Bellfield Property Developments)

Head of expenditure	Total amount payable
Buildings insurance	8708.35
Cleaning/caretaking	2416.99
Repairs and maintenance	10723.40
Gardening	2885.21
Electricity	331.34
Water	910.00
Security	2115.00
Fire equipment	1061.08
Accountancy fee	672.75
<b>Total</b>	<b>29824.12</b>

(b) 9 April 2009 to 31 December 2009 (Blue Property)

Head of expenditure	Total amount payable
Buildings insurance	4904.00
Cleaning/caretaking	2000.00
Window cleaning	800.00
Repairs and maintenance	2674.00
Gardening	2000.00
Fire equipment	27.00
Health and safety risk assessment	488.00
Fire risk assessment	488.00
Bank charges	547.00
Accountancy fee	742.00
Management fee	2300.00
<b>Total</b>	<b>16970.00</b>

(c) 1 January 2010 to 31 August 2010 (Blue Property)

Head of expenditure	Total amount payable
Buildings insurance	2715.64
Cleaning/caretaking	1300.00
Window cleaning	800.00
Repairs and maintenance	8388.93
Gardening	2115.00
Bank charges	646.49
Professional fees	595.00
Management fee	750.00
<b>Total</b>	<b>17311.06</b>

(d) 1 September 2010 to 31 December 2010 (CP Bigwood)

Head of expenditure	Total amount payable
Buildings insurance	1357.81
Cleaning	1956.41
Window cleaning	329.00
Repairs and maintenance	3545.68
Maintenance agreements	81.07
Gardening	2827.25
Electricity	427.81
Health and safety	452.38
Professional fees	94.59
Legal fees	4.00
Accountancy fee	1287.00
Management fee	3066.82
Reserve fund	3924.57
<b>Total</b>	<b>19354.39</b>

(e) 1 January 2011 to 31 December 2011 (CP Bigwood)

Head of expenditure	Total amount payable
Buildings insurance	23948.85
Cleaning	4218.00
Window cleaning	1008.00
Repairs and maintenance	19465.06
Maintenance agreements	681.38
Gardening	4872.00
Electricity	(31.45)
Health and safety	1968.70
Bank charges	(27.21)
Professional fees	3220.37
Legal fees	4.00
Accountancy fee	1323.00
Management fee	7965.89
Reserve fund	00.42
Insurance reserve fund	7530.35
<b>Total</b>	<b>76147.36</b>

(f) 1 January 2012 to 31 December 2012 (CP Bigwood)

Head of expenditure	Total amount payable
Buildings insurance	20552.13
Cleaning	4600.00
Window cleaning	1300.00
Car park/bin maintenance	500.00
Repairs and maintenance (identified)	15000.00
Repairs and maintenance (contingency)	4000.00
Maintenance agreements	1500.00
Gardening	3200.00
Electricity	1200.00
Professional fees	1000.00
Legal fees	00.00
Accountancy fee	1150.00
Management fee	12450.00
Additional management fee	00.00
Reserve fund	4960.00
<b>Total</b>	<b>71412.13</b>

84 Subject to deficits and surpluses brought forward and carried forward, the Tribunal determines that the Respondents are liable to pay to the Applicant service charges as follows:

	Total amount payable	Amount per flat
1/6/2007-8/4/2009	29824.12	648.35
9/4/2009-31/12/2009	16970.00	368.91
1/1/2010-31/8/2010	17311.06	376.33
1/9/2010-31/12/2010	19354.39	420.75
1/1/2011-31/12/2011	76147.36	1655.38
1/1/2012-31/12/2012	71412.13	1552.44
<b>Total</b>	<b>231019.06</b>	<b>5022.16</b>

Signed *Nigel P Gravells* .....  
(Professor Nigel P Gravells (Chairman))

Dated ..... **29 NOV 2012** .....