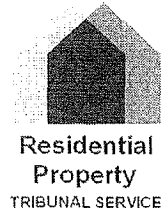




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LONDON RENT ASSESSMENT PANEL

DECISION OF THE LEASEHOLD VALUATION TRIBUNAL UNDER SECTIONS
20C and 27A OF THE LANDLORD and TENANT ACT 1985 (the Act)

Case Reference: LON/00AP/LSC/2012/0265

Property: Flat 3, 146, West Green Road, London N15 5AE

Applicant: Anita Browne

Respondent: Regisport Limited

Representative: Countrywide Estate Management Limited
(Countrywide)

Leasehold Valuation Tribunal: A.J.ENGEL M.A. (Hons.) – Chairman
A.FLYNN M.R.I.C.S.
L.HART

Date of Decisions: 13th August 2012

DECISIONS

- A. Service charges for 2010 payable in respect of the Property (excluding insurance premiums) are £102-06
- B. Service charges for 2011 payable in respect of the Property (excluding insurance premiums) are £178-65
- C. All of the costs incurred, or to be incurred, by the Respondent in connection with these proceedings are not to be regarded as relevant costs to be taken into account in determining the amount of any service charge payable by the Applicant.
- D. The Respondent is required to reimburse the Applicant, forthwith, for the whole of the fees paid by the Applicant in respect of these proceedings.

REASONS

Background

1. The Applicant is the (long) lessee of the Property – one of 4 flats in a converted house. The Respondent is the Freeholder and Landlord. Countrywide is the Respondent's Managing Agent in respect of the service charges (other than insurance premiums).
2. The lease provides for the payment of service charges by the Applicant to the Respondent. The service charge year is the calendar year. The Applicant's share of the service charge for 146, West Green Street is 25%.
3. By written application, dated 11th April 2012, the Applicant applied for determination (under Section 27A of the Act) of the amount of service charges (other than insurance premiums) payable in respect of the 2010 and 2011 service charge years and for an Order under Section 20C of the Act

Hearing

4. A hearing took place before the Tribunal on 13th August 2012 when the Applicant appeared in person and the Respondent was represented by Sarah Willis of Countrywide.
5. Oral evidence was given to the Tribunal by the Applicant as well as Sarah Willis and Laura McGill (of Countrywide).

Written Evidence

6. In addition to oral evidence, voluminous documentary evidence was adduced in a Bundle of 552 pages. Reference below to Page numbers are to Pages in the Bundle.

Insurance

7. Sarah Willis explained to the Tribunal, at the hearing, that the insurance premiums were not collected from the Respondent's tenants by Countrywide but by another Company.
8. The Applicant informed the Tribunal at the hearing that she did not dispute the amounts of the insurance premiums demanded in respect of the Property for the 2010 and 2011 service charge years.
9. Thus, the insurance premiums demanded in respect of the Property for the 2010 and 2011 service charge years are payable in addition to the amounts set out at A and B above.

Major Works

10. The Tribunal was informed that the Respondent proposes to carry out major works at 146, West Green Road. However, no demand for payment in respect thereof has yet been made.
11. Accordingly, the Tribunal does not make any determination in respect of the proposed major works.

2010

12. The service charge demand for the Property is at Page 109. The figures set out thereon include VAT.
13. It comprises:-

Audit Fees (25% = £36)

This is a standard charge per unit levied by the Respondent in respect of its large portfolio for work done by its in-house Accountancy team.

We were informed that the Accountancy team should check invoices and other papers; however, as appears below this was not always accurately carried out.

We consider that such work as was done in respect of the Property by the in-house Accountancy team is part of the "management" and we have taken this item into account in determining the amount of the management fee – bearing in mind that, on the evidence, only a small charge (say £5) was reasonable for this item.

General Repairs and Maintenance (25% = £23-50)

The Invoice for this item is at Page 111. We are satisfied that this work was done and that both the work and the charge are reasonable. It is, accordingly, allowed in full.

Health & Safety (25% = £7-05)

There is no evidence to substantiate this item – other than an invoice from Countywide to the Respondent (Page 113). We disallow it and express our surprise that the in-house Accountancy team included it in the demand.

Management Fees (25% = £78-56)

As Sarah Willis explained at the hearing, the management fee demanded was, inexplicably, low in 2010. We are satisfied that it was reasonable for the work reasonably done – taking into account the (justified) criticisms of Anita Browne.

Professional Fees (25% = £111-72)

The Respondent conceded this item.

14. Thus, the service charge (excluding insurance premiums) payable in respect of the Property for the 2010 service charge year is **£102-06**.

2011

15. The service charge demand for the Property is at Page 155. The figures set out thereon include VAT.

16. It comprises:-

Audit Fees (25% = £36)

This is a standard charge per unit levied by the Respondent in respect of its large portfolio for work done by its in-house Accountancy team.

We were informed that the Accountancy team should check invoices and other papers; however, as appears, above and below, this was not always accurately carried out.

We consider that such work as was done in respect of the Property by the in-house Accountancy team is part of the "management" and we have taken this item into account in determining the amount of the management fee – bearing in mind that, on the evidence, only a small charge (say £5) was reasonable for this item.

General Repairs and Maintenance (25% = £14-25)

The Invoice for this item is at Page 159. It is for £204 for a new lock (and keys) for the front door. We were informed that the contractors were being paid in instalments – the first instalment being £57.

Anita Browne informed us, at the hearing, that the front door was still insecure due to vandalism to the door itself. The Tribunal hopes (and expects) that this problem will be resolved as a matter of urgency.

This item is allowed in full.

Out of hours emergency service (25%=£28-55)

The Tribunal is satisfied that this service is both reasonable and that the cost thereof is reasonable. However, the Invoice (on Page 172) shows that the cost for 2011 was £57-60 – not £114-20 – which appears to be another error by the In-house Accountancy team. Accordingly, this item is allowed at £14-40.

Management Fees (25% = £215-25)

The Tribunal considers that a fee of this magnitude would have been reasonable if the Management had been carried out to a reasonable standard but we accept Anita Browne's evidence that this did not always happen in 2011 – although it had improved from 2010 when the Property Manager had been an individual who had since been dismissed by Countrywide for dereliction of duty (but not, it should be made clear, for dishonesty).

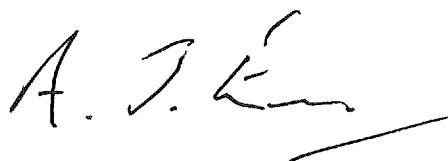
In the circumstances, the Tribunal allows £150 (£125 + VAT) for the Property for 2011 and we note, with approbation, the evidence of Anita Browne that management has improved since the present Property Manager (Laura McGill) took over in early 2012.

17. Thus, the service charge (excluding insurance premiums) payable in respect of the Property for the 2011 service charge year is **£178-65**.

Costs and Fees

18. Having regard to our decisions at A and B, the Orders set out at C and D above are, in our view, both just and equitable.

SIGNED



(A.J.ENGEL – Chairman)