2784



FIRST-TIER TRIBUNAL PROPERTY CHAMBER (RESIDENTIAL PROPERTY)

**Case Reference** 

: LON/00AW/OC9/2013/0064

**Property** 

Orpen House, 10-14 Trebovir Road,

London SW5 9LY

**Applicant** 

: Orpen House Ltd.

Representative

TWM Solicitors LLP

:

:

:

:

The Mayor & Burgesses of the Royal Borough of Kensington and

Chelsea

Representative

Respondent

None

Type of Application

Costs under s.91 Leasehold

Reform, Housing and Urban

**Development Act 1993** 

**Tribunal Members** 

Judge F Dickie

**Mr N Maloney FRICS** 

**Date of Decision** 

13 February 2014

#### **DECISION**

## **Decisions of the Tribunal**

In respect of the disputed costs items, the Tribunal makes the determinations set out on the attached schedule and in paragraphs 16 and 17 below.

## The application

1. The Applicant seeks a determination pursuant to section 91 of the Leasehold Reform, Housing and Urban Development Act 1993 ("the Act") as to the costs of enfranchisement payable under s.33(1) of the Act.

- 2. The initial notice under section 13 of the Act was given on or around 5 November 2010. The landlord's counter notice under s.21 was given on or around 10 January 2011. An application was made to the Tribunal on 5 May 2011 to determine the premium, and terms were agreed on 19 September. The application to the Tribunal for a determination as to costs payable by the Respondent was made on 16 October 2013 and directions were issued that day which required the parties to exchange statements of case and for the matter to be determined on the papers unless a hearing was requested.
- 3. Neither party having requested a hearing, the Tribunal proceeded to consider the matter on the papers. The parties each provided a statement of case, both referring in narrative or list form to numerous costs items by date, but since the parties had not taken a corresponding approach in the manner of presenting their evidence, the task they placed upon the Tribunal in analysing and cross referencing their arguments in respect of each item was disproportionate. The Tribunal therefore issued further directions on 9 December 2013 for the preparation of a single schedule containing the Applicant's reasons for dispute and the Respondent's case in respect of each disputed item.
- 4. Such a schedule has now been produced to the Tribunal. However, instead of setting out its full case in relation to each disputed item, the Respondent, in addition to providing a general narrative as to the work carried out against each item, has in relation to almost every one stated: "that this falls [sic] Section 33 and should be allowed. The above is to be read in conjunction with the Respondent's Submissions in the Respondent's Statement of Case:". There is no reference to particular paragraphs of the statement of case, subsections of Section 33, or supporting legal argument.
- In the circumstances, the Tribunal in reaching this determination has had regard to the general submissions made in the Respondent's Statement of Case, but not to submissions within it on individual dated items of expenditure (including paragraphs 18 and 19) since these should have been included in the schedule, and the exercise of identifying how each relates to the relevant items continues to be disproportionate.
- 6. There is no dispute as to the charging rates of the Respondent's representatives and the Applicant confirms that items not challenged are to be regarded as agreed. Valuation fees were disputed in the application but not in the statements of case or schedule, and thus the Tribunal understands them to have been agreed. The Respondent's costs are divided broadly into work undertaken by its own in-house Legal Department and the costs of external solicitors instructed (Sharpe Pritchard).

7. The Tribunal has reached a determination as to the amount payable in respect of each disputed costs item. It will be for the parties to agree the mathematical calculation of the appropriate total figure payable in costs. In the event of any dispute as to the correct calculation of that total sum the parties may apply within 28 days of the date of this decision for a determination on the matter, but such application must be accompanied by clear calculations.

## The Background

- 8. This was not a straightforward enfranchisement claim or conveyance. The proposed purchase price in the Claim Notice was £9,950. However, the Respondent formed the view that there was development potential for the roof space, and the counter-proposal purchase price was £2,660,000. Further to valuation discussions about Hope Value, the issue of development potential was ultimately resolved by a complex overage agreement pursuant to which the Local Authority would receive 25% of any development profit.
- 9. There were to be mandatory leasebacks of Flats 3 and 4 Orpen House to the Local Authority (pursuant to Part II of Schedule 9 of the Act). These leasebacks would form part of the freehold purchase in respect of which the Nominee Purchaser must pay costs under section 33(1). The solicitor for the Applicant disputed certain terms of the leaseback and Sharpe Pritchard Solicitors were instructed to deal with the issue including further amendments to the draft leasebacks.

#### **Submissions and Tribunal's Determination**

- 10. Clearance of the basement of the building was part of the agreement for the enfranchisement. The Respondent submits that work in connection with that clearance should be recoverable under Section 33(1). However, this is incidental to the use of the property by its owner and the Tribunal does not accept that it is incidental to the conveyance of that ownership. The Tribunal therefore finds that work in connection with the basement clearance is not recoverable under Section 33(1).
- 11. There was an application to the Council's Planning Department for preadvice in relation to an application for Planning Permission for the proposed development. The Applicant argues this was an independent issue separate from the enfranchisement claim and that the legal costs associated with it are not within the ambit of s.33(1). The Respondent does not seek to argue how this can be brought within the wording of that subsection.
- 12. The application for pre-advice was made after the preparation of the counter notice. To fall within section 33(1) the costs must be incurred "in pursuance of" the counter notice. It would seem that reasonable

enquiries as to development potential should be part of the valuation process. A valuer could be expected to undertake these. By virtue of the counter notice (which proposed a premium in excess of £2.6million), the Respondent's valuer had already formed a view that there was Hope Value. The Tribunal therefore takes the view that the Respondent is not entitled to recover costs associated with the application for pre-planning advice.

- 13. The Respondent's legal department ceased to have conduct of this matter on or after 13 July 2011, but continued to deal with queries from Sharpe Pritchard thereafter and the Respondent submits that its costs in doing so would fall within s.33(1). Whilst Sharpe Pritchard were dealing with a Tribunal application in respect of the matter, the Respondent submits that much of their correspondence was in fact dealing with the overage provisions and the leaseback, and would be recoverable under s.33(1). The point is made that the Respondent had a deadline for service of the counter-notice, but investigations arising out of the Notice continued after that counter-notice was served.
- 14. There does appear to have been a good deal of overlap from the Council's Legal Department in addressing this enfranchisement application. Generally speaking, the Applicant is not obliged to pay for the work of a middle man, which effectively seems to have been the role mainly taken by the Respondent's legal department once Sharpe Pritchard were instructed. The Respondent argues that the Legal Department's time engaged after 13 July 2011 dealing with queries arising from Sharpe Pritchard would fall within the ambit of section 33(1), but the Tribunal determines that the cost of the Legal Department were not recoverable once Shape Pritchard were instructed, as the former no longer had conduct of the matter, and the cost of a second legal representative simultaneously instructed would not be recoverable by virtue of section 33(2).
- 15. The Respondent observes that work by Sharpe Pritchard which related to the overage provisions and leasebacks, and the development clauses, would be recoverable. The Applicant concedes that the Respondent is entitled to its costs of drafting the statutory leasebacks and transfer on 22 and 23 June 2011, and that work on the development clauses after the terms of acquisition were agreed on 19 September 2011 is recoverable. The Respondent explains that Sharpe Pritchard dealt with the Applicant's solicitor's further amendments to the draft leasebacks, the plans for which were not available at the time the drafts were sent to the nominee purchaser.
- 16. In the present case the Tribunal considers some of the costs after the counter notice are recoverable in pursuance of the Claim Notice. The nominee purchaser's profit sharing offer, and the late availability of the plans, would have given rise to revaluation and conveyancing issues in the developing circumstances. However, from the Respondent's

narrative the Tribunal has had difficulty in distinguishing recoverable work from work which is not. Time spent is often split across other non recoverable items (e.g. work on the Tribunal proceedings). The Tribunal has therefore done its best to assess the relevant reasonable in-house and Sharpe Pritchard costs. The tribunal has taken an overall view as to costs recoverable under Section 33(1)(a)(ii) "any investigation reasonably undertaken of any other question arising out of that Notice"; and (e) "any conveyance of any such interest" and, in addition to the specified sums allowed in the final column of the Schedule, determines a further sum of £150 is payable under section 33(1) in respect of the costs of the Applicant's Legal Department before instruction of Sharpe Pritchard, and £600 plus VAT in respect of work by those solicitors thereafter.

17. The fee of £840 for the preparation of two Land Registry compliant plans for flats 3 and 4 seems high to the Applicant compared to the fee of £300 plus VAT charged to them for two other plans in respect of units in the building. The Tribunal allows this sum in full for the reasons set out in the schedule.

Name:

F Dickie

Date:

13 February 2014

# Leasehold Reform, Housing and Urban Development Act 1993

### 33 Costs of enfranchisement.

(1) Where a notice is given under section 13, then (subject to the provisions of this section and sections 28(6), 29(7) and 31(5)) the nominee purchaser shall be liable, to the extent that they have been incurred in pursuance of the notice by the reversioner or by any other relevant landlord, for the reasonable costs of and incidental to any of the following matters, namely—

(a) any investigation reasonably undertaken—

(i) of the question whether any interest in the specified premises or other property is liable to acquisition in pursuance of the initial notice, or

(ii) of any other question arising out of that notice;

- (b) deducing, evidencing and verifying the title to any such interest;
- (c) making out and furnishing such abstracts and copies as the nominee purchaser may require;
- (d) any valuation of any interest in the specified premises or other property;
- (e) any conveyance of any such interest; but this subsection shall not apply to any costs if on a sale made voluntarily a stipulation that they were to be borne by the purchaser would be void.
- (2) For the purposes of subsection (1) any costs incurred by the reversioner or any other relevant landlord in respect of professional services rendered by any person shall only be regarded as reasonable if and to the extent that costs in respect of such services might reasonably be expected to have been incurred by him if the circumstances had been such that he was personally liable for all such costs.
- (5) The nominee purchaser shall not be liable under this section for any costs which a party to any proceedings under this Chapter before a leasehold valuation tribunal incurs in connection with the proceedings.

# SCHEDULE OF DISPUTED LEGAL COSTS: ORPEN HOUSE, 10-14 TREBOVIR ROAD, LONDON SW5 9LY LON/00AW/OC9/2013/0064

Item No.	Date	Cost Heading Seller's Legal Fees: ("RBKC") Seller's Solicitor's Legal Fees: ("Sharpe Pritchard")	Costs	Fee Earner (Initials)	Narrative	Reason for Dispute	Respondent's Points	Tribunal
1	25.02.11	RBKC	£100.80	JM	Research/Advice	Work undertaken some time after service of counternotice and not associated with preparation of transfer or leasebacks	Research carried out and advice given in respect of queries raised by the Applicant's Valuer in a lengthy email of 4.2.11. The queries related to amongst others (i) the calculation of the premium provided earlier by the Respondent's Valuer, (ii) Flat Size, (iii) Capitalisation rate, (iv) Freehold value of existing flats, (v) Deferment Rate, and (vi) Development Value and in respect of the	This is repetitious of matters the Respondent's valuer would have taken into account in reaching a view on value for the counter-notice.  Considering the difference between two valuers' positions is not recoverable. Effectively, this is preparatory work for negotiation, and is not within the ambit of s.33.

		planning perr would be obt asked whether studies had be undertaken to feasibility of development. Structural issection issues as to recommunal accuminterrupted utilities, flat edoors; Finance future flats, development leaseback profits the Resubmission.	er viability leen o confirm  ), sues, Legal lights of lecess, l passage of entrance lial matter, leasts and leposals.	
		falls Section should be allowed is	n 33 and owed.	

							in conjunction with the Respondent's Submissions in the Respondent's Statement of Case:	
2	28.02.11	RBKC	£84.00	JM	Research/Emails/Filing	Work undertaken some time after service of counternotice and not associated with preparation of transfer or leasebacks	Further research undertaken and advice given in respect of the Applicant's Valuer's queries and the impact on the premium relating to issues including the use by existing tenants within the building to front and rear gardens and garden plots, cupboards in the front entrance hall, roof, airspace and the issue of vacant possession in respect of the basement.  It is the Respondent's submission that this falls Section 33 and should be allowed.  The above is to be read in conjunction with the Respondent's Submissions in the Respondent's Statement	Reasons as for Item 1.  See also reasons in paragraph 10 of the decision.  Disallowed except for recoverable costs for elements of this work, as estimated and allowed in paragraph 16 of the decision.

							of Case:	
3	11.03.11	RBKC	£29.40	JM	Emails/Filing	Work undertaken some time after service of counternotice and not associated with preparation of transfer or leasebacks	Further work carried out in respect of the issues raised by the Applicant's Valuer as highlighted above for 25.2.11 and 28.2.11.  It is the Respondent's submission that this falls Section 33 and should be allowed.  The above is to be read in conjunction with the Respondent's Submissions in the Respondent's Statement of Case:	Reasons as for Item 1.  Disallowed except for recoverable costs for elements of this work, as estimated and allowed in paragraph 16 of the decision.
4	17.03.11	RBKC	£12.00	JM	Emails/Filing	Work undertaken some time after service of counternotice and not associated with preparation of transfer or leasebacks	Further work carried out in respect of the issues raised by the Applicant's Valuer as highlighted above for 25.2.11 and 28.2.11.  It is the Respondent's submission that this falls Section 33 and should be allowed.  The above is to be read	Reasons as for Item 1.  Disallowed except for recoverable costs for elements of this work, as estimated and allowed in paragraph 16 of the decision.

							in conjunction with the Respondent's Submissions in the Respondent's Statement of Case:	
5	31.05.11	RBKC	£63.07	HF	Resume file work/Email/Make -up progress sheet	Work undertaken in relation to Tribunal application and not associated with preparation of transfer or leasebacks	Work carried out by the Respondent in dealing with the Applicant's Application for Determination which the Applicant filed with the Tribunal with the Applicant's letter dated 5.5.11.  The Respondent liaising with the Repondent's Surveyor regarding the Application.  It is the Respondent's submission that this falls Section 33 and should be allowed.  The above is to be read in conjunction with the Respondent's Submissions in the Respondent's Statement of Case:	Work in connection with tribunal proceedings is not allowable under s.33  Disallowed
6	31.05.11	RBKC	£70.40	HF	Emails/Copying	Work undertaken in	Work carried out by the	Reasons as for Items 1

		correspondence	relation to Tribunal application and not associated with preparation of transfer or leasebacks	Respondent in dealing with the Applicant's Application for Determination which the Applicant filed with the Tribunal with the Tribunal with the Applicant's letter dated 5.5.11.  The Respondent liaising with the Repondent's Surveyor regarding the Application and further regarding the viability report regarding the development potential and its impact on the premium, and further in respect of issues raised at 25.2.11 and 28.2.11 above.  It is the Respondent's submission that this falls Section 33 and should be allowed.	and 5.  Disallowed except for recoverable costs for elements of this work, as estimated and allowed in paragraph 16 of the decision.
				The above is to be read in conjunction with the Respondent's Submissions in the Respondent's Statement of Case:	

8	02.06.11	RBKC	£14.67	HF	Call with Ceiran	Work undertaken in relation to Tribunal application and not associated with preparation of transfer or leasebacks	Application for Determination which the Applicant filed with the Tribunal with the Applicant's letter dated 5.5.11.  The Respondent liaising with the Respondent's Surveyor regarding the Application and further regarding the viability report regarding the development potential and its impact on the premium, and further in respect of issues raised at 25.2.11 and 28.2.11 above.  It is the Respondent's submission that this falls Section 33 and should be allowed.  The above is to be read in conjunction with the Respondent's Submissions in the Respondent's Statement of Case:	Reasons as for Items 1 and 5.  Disallowed except for recoverable costs for elements of this work, as estimated and allowed in paragraph 16 of the decision.  Reasons as for Item 5.
8	02.06.11	KBKC	t14.0/	HF	Call with Ceiran	relation to Tribunal	Respondent haising with Respondent's Valuer in	Reasons as 101 ftem 3.

						application and not associated with preparation of transfer or leasebacks	respect of requesting a stay from the Tribunal in view of the number of issues which remained to be resolved between the parties and given the nature of the claim and counter claim.  It is the Respondent's submission that this falls Section 33 and should be allowed.  The above is to be read in conjunction with the Respondent's Submissions in the Respondent's Statement of Case:	Disallowed
9	03.06.11	RBKC	£11.73	HF	Emails re: basement	Work undertaken in relation to Tribunal application and not associated with preparation of transfer or leasebacks	Further work carried out in respect of the issues raised by the Applicant's Valuer as highlighted above for 25.2.11 and 28.2.11 in respect of the basement.  It is the Respondent's submission that this falls Section 33 and should be allowed.	Reasons as for Items 1 and 5.  See also reasons in paragraph 10 of the decision.  Disallowed except for recoverable costs for elements of this work, as estimated and allowed in paragraph 16 of the decision.

							The above is to be read in conjunction with the Respondent's Submissions in the Respondent's Statement of Case:	
10	03.06.11	RBKC	£13.20	HF	Emails in and out to clear basement	Work undertaken in relation to Tribunal application and not associated with preparation of transfer or leasebacks	Further work carried out in respect of the issues raised by the Applicant's Valuer as highlighted above for 25.2.11 and 28.2.11 in respect of the basement.  It is the Respondent's submission that this falls Section 33 and should be allowed.  The above is to be read in conjunction with the Respondent's Submissions in the Respondent's Statement of Case:	Reasons as for item 1.  See also reasons in paragraph 10 of the decision.  Disallowed except for recoverable costs for elements of this work, as estimated and allowed in paragraph 16 of the decision.
11	03.06.11	RBKC	£90.93	HF	Correspondence and emails	Work undertaken in relation to Tribunal application and not associated with preparation of transfer or leasebacks	Correspondence sent out by the Respondent: (i) letter to the Tribunal seeking a stay, (ii) email to the Applicant seeking agreement to a stay.	Reasons as for Item 5.  Disallowed

							It is the Respondent's submission that this falls Section 33 and should be allowed.  The above is to be read in conjunction with the Respondent's Submissions in the Respondent's Statement of Case:	
12	13.06.11	RBKC	£14.67	HF	Directions in, range scanning and copy out to Ceiran with query as to variations to timetable	Work undertaken in relation to Tribunal application and not associated with preparation of transfer or leasebacks	Respondent carried out work as Directions received in respect of the Applicant's Application to the Tribunal, and liaising with the Respondent's Valuer regarding the Directions, and need for Respondent to commence collating information and documentation to comply with the Directions.  It is the Respondent's submission that this falls Section 33 and should be allowed.	Reasons as for Item 5.  Disallowed

							The above is to be read in conjunction with the Respondent's Submissions in the Respondent's Statement of Case:	
13	20.06.11	RBKC	£22.00	HF	Check file, call out, email to John Porter at Cluttons re timetable	Work undertaken in relation to Tribunal application and not associated with preparation of transfer or leasebacks	Respondent carried out further work in respect of the Directions made by the Tribunal in respect of the Applicant's Application to the Tribunal, and further liaising with the Respondent's Valuer regarding the Directions, as the Tribunal did not agree to the Respondent's request for a stay.  It is the Respondent's submission that this falls Section 33 and should be allowed.  The above is to be read in conjunction with the Respondent's Submissions in the Respondent's Statement of Case:	Reasons as for Item 5.  Disallowed

	21.06.11	RBKC	£14.67	HF	Call from John Porter	Work undertaken in relation to Tribunal application and not associated with preparation of transfer or leasebacks	Respondent carried out further work in respect of the Directions made by the Tribunal in respect of the Applicant's Application to the Tribunal, and further liaising with the Respondent's Valuer regarding the Directions.  The Directions required a draft transfer and leasebacks and the Respondent's claim for development value.  It is the Respondent's submission that this falls Section 33 and should be allowed.  The above is to be read in conjunction with the Respondent's Submissions in the Respondent's Statement of Case:	Reasons as for Item 5.  Work in relation to preparation of transfer or leasebacks is not separately identified.  Disallowed
15	30.06.11	RBKC	£14.67	HF	Emails in, filing, call with Jonathan as to payment of Cluttons' fees	Work undertaken in relation to Tribunal application and not associated with	Respondent carried out further work in respect of this matter and in respect of the	This work was incidental to the valuation and is recoverable under

						preparation of transfer or	Respondent's Valuer feenote pursuant to the	section 33(1)(d).
						leasebacks	Valuer's work to date.  It is the Respondent's submission that this falls Section 33 and should be allowed.  The above is to be read in conjunction with the Respondent's Submissions in the Respondent's Statement of Case:	£14.67 Allowed
16	07.07.11	RBKC	£20.53	HF	Emails out, update progress sheet to hand over to Sharpe Pritchard	Work undertaken in relation to Tribunal application and not associated with preparation of transfer or leasebacks	Respondent's work instructing Sharpe Pritchard and passing papers to Sharpe Pritchard.  It is the Respondent's submission that this falls Section 33 and should be allowed.  The above is to be read in conjunction with the Respondent's Submissions in the Respondent's Statement of Case:	Sharpe Pritchard are understood to have dealt with the work on the development clauses annexed to the transfer deed. They dealt with the Applicant's solicitor's further amendments to the draft leasebacks. The plans, which were not available at the time the drafts, were sent to the nominee purchaser's solicitors. These costs are

								allowable under s.33(1)(e) £20.53 Allowed
17	11.07.11	RBKC	£22.00	HF	Calls from and to Adrie – call with David to discuss background and what should be said in the circumstances	Work undertaken in relation to Tribunal application and not associated with preparation of transfer or leasebacks	Respondent's telephone conversation with RBKC Social Services in respect of the plans for the building and possible impact on vulnerable tenants.  It is the Respondent's submission that this falls Section 33 and should be allowed.  The above is to be read in conjunction with the Respondent's Submissions in the Respondent's Statement of Case:	This is an internal issue and cannot be considered to fall under any of (a) – (e) of section 33(1).  After instructing Sharpe Pritchard, the Council's Legal Department no longer had conduct of the claim. Furthermore, irrecoverable under section 33(2).  Disallowed
18	13.07.11	RBKC	£77.73	HF	Emails re development to Sharpe Pritchard	Work undertaken in relation to Tribunal application and not associated with the preparation of transfer leasebacks and undertaken after conduct of matter transferred to Sharpe Pritchard	Respondent's emails to RBKC Social Services and Sharpe Pritchard regarding the development plans for the building.  It is the Respondent's submission that this falls Section 33 and	Reasons as for Item 17.  Disallowed

							should be allowed.  The above is to be read in conjunction with the Respondent's Submissions in the Respondent's Statement of Case:	
19	19.07.11	RBKC	£44.00	HF	Query from finance regarding Cluttons' fees – liaising and checking legislation and email copies to Jonathan White for his information	Work undertaken in relation to Tribunal application and not associated with the preparation of transfer leasebacks and undertaken after conduct of matter transferred to Sharpe Pritchard	Advice given by the Respondent on the issue of whether the cost of the valuation of the freehold interest is to be borne by the Council or the Tenants.  It is the Respondent's submission that this falls Section 33 and should be allowed.  The above is to be read in conjunction with the Respondent's Submissions in the Respondent's Statement of Case:	Reasons as for Item 17.  Disallowed
20	20.07.11	RBKC	£14.67	HF	Email finance with further background as to negotiation of fees as against the potential value of	Work undertaken in relation to Tribunal application and not associated with the preparation of transfer leasebacks	Further regarding advice given by the Respondent on the issue of whether the cost of the valuation of the freehold interest is to be borne by the	Reasons as for Item 17. Disallowed

					the freehold to the Council	and undertaken after conduct of matter transferred to Sharpe Pritchard	Council or the Tenants.  It is the Respondent's submission that this falls Section 33 and should be allowed.  The above is to be read in conjunction with the Respondent's Submissions in the Respondent's Statement of Case:	
21	28.07.11	RBKC	£23.47	HF	Correspondence in, out and filing	Work undertaken in relation to Tribunal application and not associated with the preparation of transfer leasebacks and undertaken after conduct of matter transferred to Sharpe Pritchard	Respondent received from the Applicant's solicitors a letter dated 25.7.11 and which the Respondent forwarded to Sharpe Pritchard for them to handle.  It is the Respondent's submission that this falls Section 33 and should be allowed.  The above is to be read in conjunction with the Respondent's Submissions in the Respondent's Statement of Case:	The Respondent has not satisfied the Tribunal that this work falls under s.33(1).  Disallowed

22	01.08.11	RBKC	£51.33	HF	Calls out and emails	Work undertaken in relation to Tribunal application and not associated with the preparation of transfer leasebacks and undertaken after conduct of matter transferred to Sharpe Pritchard	No further information available for this entry.	Insufficient evidence.  Disallowed
23	01.08.11	RBKC	£14.67	HF	Call from Sharpe Pritchard	Work undertaken in relation to Tribunal application and not associated with the preparation of transfer leasebacks and undertaken after conduct of matter transferred to Sharpe Pritchard	Sharpe Pritchard calling RBKC to discuss hearing attendance at hearing and Listing Questionnaire.  It is the Respondent's submission that this falls Section 33 and should be allowed.  The above is to be read in conjunction with the Respondent's Submissions in the Respondent's Statement of Case:	Reasons as for Item 5.  After instructing Sharpe Pritchard, the Council's Legal Department no longer had conduct of the claim. Furthermore, irrecoverable under section 33(2).  Disallowed
24	16.08.11	RBKC	£21.27	DW	Memos	Work undertaken in relation to Tribunal application and not associated with the preparation of	Respondent liaising with Sharpe Pritchard regarding letter from Tribunal sent to the Respondent confirming	Reasons as for Item 23. Disallowed

						transfer leasebacks and undertaken after conduct of matter transferred to Sharpe Pritchard	hearing on 21.9.11 of Applicant's Application.  It is the Respondent's submission that this falls Section 33 and should be allowed.  The above is to be read in conjunction with the Respondent's Submissions in the Respondent's Statement of Case:	
25	16.08.11	RBKC	£29.00	DW	Memo P Salmon	Work undertaken in relation to Tribunal application and not associated with the preparation of transfer leasebacks and undertaken after conduct of matter transferred to Sharpe Pritchard	Respondent further liaising with Sharpe Pritchard regarding letter from Tribunal sent to the Respondent confirming hearing on 21.9.11 of Applicant's Application.  It is the Respondent's submission that this falls Section 33 and should be allowed.  The above is to be read in conjunction with the Respondent's Submissions in the Respondent's Statement	Reasons as for Item 23.  Disallowed

							of Case:	
26	16.08.11	RBKC	£96.67	DW	Memo P Salmon	Work undertaken in relation to Tribunal application and not associated with the preparation of transfer leasebacks and undertaken after conduct of matter transferred to Sharpe Pritchard	Respondent further liaising with Sharpe Pritchard regarding letter from Tribunal sent to the Respondent confirming hearing on 21.9.11 of Applicant's Application.  It is the Respondent's submission that this falls Section 33 and should be allowed.  The above is to be read in conjunction with the Respondent's Submissions in the Respondent's Statement of Case:	Reasons as for Item 23.  Disallowed
27	16.08.11	RBKC	£22.00	HF	Emails in and out re basement	Work undertaken in relation to Tribunal application and not associated with the preparation of transfer leasebacks and undertaken after conduct of matter transferred to Sharpe Pritchard	Further work carried out in respect of the issues raised by the Applicant's Valuer as highlighted above for 25.2.11 and 28.2.11 in respect of the basement.  It is the Respondent's submission that this falls Section 33 and	See paragraph 10 of the decision, and undertaken after Sharpe Pritchard instructed.  Disallowed

10.1.14

							should be allowed.  The above is to be read in conjunction with the Respondent's Submissions in the Respondent's Statement of Case:	
28	16.08.11	RBKC	£22.00	HF	Emails in and out re basement	Work undertaken in relation to Tribunal application and not associated with the preparation of transfer leasebacks and undertaken after conduct of matter transferred to Sharpe Pritchard	Further work carried out in respect of the issues raised by the Applicant's Valuer as highlighted above for 25.2.11 and 28.2.11 in respect of the basement.  It is the Respondent's submission that this falls Section 33 and should be allowed.  The above is to be read in conjunction with the Respondent's Submissions in the Respondent's Statement of Case:	See paragraph 10 of the decision, and undertaken after Sharpe Pritchard instructed.  Disallowed
29	17.08.11	RBKC	£15.47	DW	Memos	Work undertaken in relation to Tribunal application and not	Respondent carrying out further work in relation to the development of	Insufficiently clear to what the time related.

						associated with the preparation of transfer leasebacks and undertaken after conduct of matter transferred to Sharpe Pritchard	the property, the issues raised by the Applicant and the application by the Applicant to the Tribunal.  It is the Respondent's submission that this falls Section 33 and should be allowed.  The above is to be read in conjunction with the Respondent's Submissions in the Respondent's Statement of Case:	See reasons for Item 23.  Disallowed
30	25.08.11	RBKC	£11.60	DW	Draft report	Work undertaken in relation to Tribunal application and not associated with the preparation of transfer leasebacks and undertaken after conduct of matter transferred to Sharpe Pritchard	Respondent carrying out further work in relation to the development of the property, the issues raised by the Applicant and the application by the Applicant to the Tribunal.  It is the Respondent's submission that this falls Section 33 and should be allowed.  The above is to be read	Insufficiently clear to what the time related.  See reasons for Item 23.  Disallowed

						:	in conjunction with the Respondent's Submissions in the Respondent's Statement of Case:	
31	08.09.11	RBKC	£30.93	DW	Memos	Work undertaken in relation to Tribunal application and not associated with the preparation of transfer leasebacks and undertaken after conduct of matter transferred to Sharpe Pritchard	Respondent carrying out further work in relation to the development of the property, the issues raised by the Applicant and the application by the Applicant to the Tribunal.  It is the Respondent's submission that this falls Section 33 and should be allowed.  The above is to be read in conjunction with the Respondent's Submissions in the Respondent's Statement of Case:	Insufficiently clear to what the time related.  See reasons for Item 23.  Disallowed
32	08.09.11	RBKC	£3.87	DW	Memo	Work undertaken in relation to Tribunal application and not associated with the preparation of transfer leasebacks and undertaken after	Respondent carrying out further work in relation to the development of the property, the issues raised by the Applicant and the application by the Applicant to the	Insufficiently clear to what the time related.  See reasons for Item 23.  Disallowed

						conduct of matter transferred to Sharpe Pritchard	Tribunal.  It is the Respondent's submission that this falls Section 33 and should be allowed.  The above is to be read in conjunction with the Respondent's Submissions in the Respondent's Statement of Case:	
33	08.09.11	RBKC	£25.13	DW	Memo	Work undertaken in relation to Tribunal application and not associated with the preparation of transfer leasebacks and undertaken after conduct of matter transferred to Sharpe Pritchard	Respondent carrying out further work in relation to the development of the property, the issues raised by the Applicant and the application by the Applicant to the Tribunal.  It is the Respondent's submission that this falls Section 33 and should be allowed.  The above is to be read in conjunction with the Respondent's Submissions in the Respondent's Statement of Case:	Insufficiently clear to what the time related.  See reasons for Item 23.  Disallowed

	1	T	ļ					
34	15.09.11	RBKC	£83.13	DW	Ph T Soloman	Work undertaken in relation to Tribunal application and not associated with or preparation of transfer and leasebacks, and undertaking after conduct transferred to Sharpe Pritchard	Respondent carrying out further work in relation to the development of the property, the issues raised by the Applicant and the application by the Applicant to the Tribunal.  It is the Respondent's submission that this falls Section 33 and should be allowed.  The above is to be read in conjunction with the Respondent's Submissions in the Respondent's Statement of Case:	Insufficiently clear to what the time related.  See reasons for Item 23.  Disallowed
35	16.09.11	RBKC	£164.33	DW	Ph T Soloman	Work undertaken in relation to Tribunal application and not associated with or preparation of transfer and leasebacks, and undertaking after conduct transferred to Sharpe Pritchard	Respondent carrying out further work in relation to the development of the property, the issues raised by the Applicant and the application by the Applicant to the Tribunal.  It is the Respondent's submission that this falls Section 33 and	Insufficiently clear to what the time related.  See reasons for Item 23.  Disallowed

							should be allowed.  The above is to be read in conjunction with the Respondent's Submissions in the Respondent's Statement of Case:	
36	18.01.12	RBKC	£7.73	DW	Memo	Work undertaken in relation to Tribunal application and not associated with or preparation of transfer and leasebacks, and undertaking after conduct transferred to Sharpe Pritchard	Respondent carrying out further work in relation to the development of the property, the issues raised by the Applicant and the application by the Applicant to the Tribunal.  It is the Respondent's submission that this falls Section 33 and should be allowed.  The above is to be read in conjunction with the Respondent's Submissions in the Respondent's Statement of Case:	Insufficiently clear to what the time related.  See reasons for Item 23.  Disallowed
37	19.01.12	RBKC	£34.80	DW	Memos	Work undertaken in relation to Tribunal application and not associated with or	Respondent carrying out further work in relation to the development of the property, the issues	Insufficiently clear to what the time related.  See reasons for Item

						preparation of transfer and leasebacks, and undertaking after conduct transferred to Sharpe Pritchard	raised by the Applicant and the application by the Applicant to the Tribunal.  It is the Respondent's submission that this falls Section 33 and should be allowed.  The above is to be read in conjunction with the Respondent's Submissions in the Respondent's Statement of Case:	23. Disallowed
38	22.02.12	RBKC	£7.73	DW	Memos	Work undertaken in relation to Tribunal application and not associated with or preparation of transfer and leasebacks, and undertaking after conduct transferred to Sharpe Pritchard	Respondent carrying out further work in relation to the development of the property, the issues raised by the Applicant and the application by the Applicant to the Tribunal.  It is the Respondent's submission that this falls Section 33 and should be allowed.  The above is to be read in conjunction with the Respondent's	Insufficiently clear to what the time related.  See reasons for Item 23.  Disallowed

							Submissions in the Respondent's Statement of Case:	
39	14.05.12	RBKC	£14.17	JM	Discussion with Jonathan re plans	Work undertaken in relation to Tribunal application and not associated with or preparation of transfer and leasebacks, and undertaking after conduct transferred to Sharpe Pritchard	The Respondent has already conceded this amount at paragraph 5.1 of the Respondent's Statement of Case ie this sum falls within the Respondent's costs from 28.7.12 through 14.5.13 inclusive.	Conceded.  Disallowed
40	14.05.12	RBKC	£17.00	JM	Phone call from Pauline	Work undertaken in relation to Tribunal application and not associated with or preparation of transfer and leasebacks, and undertaking after conduct transferred to Sharpe Pritchard	The Respondent has already conceded this amount at paragraph 5.1 of the Respondent's Statement of Case ie this sum falls within the Respondent's costs from 28.7.12 through 14.5.13 inclusive.	Conceded.  Disallowed
41	14.05.12	RBKC	£17.00	JM	Email to Jonathan	Work undertaken in relation to Tribunal application and not associated with or preparation of transfer and leasebacks, and undertaking after	The Respondent has already conceded this amount at paragraph 5.1 of the Respondent's Statement of Case ie this sum falls within the Respondent's costs from 28.7.12 through 14.5.13	Conceded  Disallowed

						conduct transferred to Sharpe Pritchard	inclusive.	
42	07.09.11 to 20.09.11	Sharpe Pritchard	£588.00	PS	All letters and calls ascribed in Exhibit 2 of Seller's/Responde nt's costs schedule to Tanya Solomons	Work undertaken in relation to Tribunal application	Various emails between SP and Respondent in connection with an overage mechanism to be included in the freehold transfer to cater for any additional value arising from any further development of the building in the future. [email 13.9.11 from SP to Respondent requesting delegated authority and request for SP to then vacate hearing] 14.9.11 call from SP to clerk to advise awaiting authority from client and don't expect hearing to go ahead. Emails to client chasing DAD. Calls to Applicant's solicitors 15.09.11 to discuss settlements agreed between valuers and development agreement. Calls to Counsel. Draft Head of terms sent to SP from valuer for approval on 16.9.11. Telephone calls to Respondent to discuss amendments to draft leasebacks proposed by Applicant's solicitor. Email 16.09.11 from Applicant's solicitor advising the lease can be regarded as agreed but awaiting instructions on one point in relation to the "development" heads of terms. Further emails between respective solicitors	The Respondent has mixed work associated with the tribunal proceedings (which are not allowable) with work associated with amendments to the leasebacks, and the drafting of the overage provisions (which are allowable), and has not broken down this amount into individual cost items in this schedule for the tribunal's consideration.  The tribunal has done its best to estimate the allowable costs as set out in paragraph 16 of the decision.

43	29.07.11	Sharpe	£1,246.00	PS	All letters,	Work undertaken in	concerning the heads of terms. Letter to Tribunal 19.9.11 requesting the hearing to be vacated. 20.9.11 call to LVT.  29.07.11 email to	The Respondent has
	to 02.09.11	Pritchard			correspondence and preparation of documents ascribed to Pauline Solomon in Exhibit 2 of Seller's/Responde nt's costs schedule for the period from 29.07.11 to 02.09.11 – 8 hours 54 mins in time	relation to Tribunal application	Respondent's valuer and call to Tribunal re listing questionnaire. Preparation of LQ and forwarded to Tribunal on 01.08.11 with copy to Applicant's solicitor. 02.08.11 -16.08.11 work related to draft 999 year leasebacks. Emails between solicitors with exception of calls made to seek Counsel on 3.8.11. 16.8.11. Call to Chambers. 16.08.11. Long email to Respondent re instructing Counsel for hearing. Call from Respondent and valuer re Counsel. 16.8.11 Very long email at 21:16 to Applicant's solicitor concerning amendments to the Draft Lease of Flat 3 Orpen House and attaching amended draft.	mixed work associated with the tribunal proceedings (which are not allowable) with work associated with amendments to the leasebacks, and the drafting of the overage provisions (which are allowable), and has not broken down this amount into individual cost items in this schedule for the tribunal's consideration.  The tribunal has done its best to estimate the allowable costs as set out in paragraph 16 of the decision.

		17.00.11 7 11.0	
		17.08.11 Email from	
		Respondent's valuer	
		concerning the freehold	·
	·	transfer transaction.	
		18.8.11 Very long	
		email to R's valuer	
		concerning the	
		proposals to deal with	
		development potential	
		as Nominee Purchaser	
		was offering 25% share	
		if the property was sold	
		and reply from valuer on	
		19.8.11.	
		23.08.11 call to Land	
		Registry relating to	
		restrictions to be placed	
		in draft Transfer.	
		23.8.11 Long email to	
		Valuer concerning same	
		issues at 18.8. above and	
		reply email from valuer	
		same day.	
		25.08.11. Receiving	
		draft decision report	
		from Respondent,	
		reading and replying by	
		email same day.	
		25.8.11. Call to Land	
		Registry re freehold	
		transfer restrictive and	
		personal covenants.	
		25.08.11 email to	
		Valuer re freehold	
		valuel le ficchold	

						transfer. 01.09.11 email to valuer, copy to Respondent requesting update on whether or not agreement has been reached whereby hearing could be vacated. 02.09.11 Call from Valuer with update.	,
44	20.10.12	Sharpe Pritchard	£42.00	PS	Item relates to storage of items by Council tenants at Flats 3 & 4 in the basement and comments on an application from planning permission outside the scope of Section 33	Respondent's date incorrect should be 20.09.12. Long email to client on the back of email from Applicant's Solicitor's email of 19.9.12 at 12:46. AP informing tenant of Flat 3 storing furniture in basement and Flat 4 storing other items such as exercise, workshop and sports equipment and advising their clients currently have not keys to the basement area. Advising of duplicate keys that the Respondents have and that an inspection of the basement carried out by Respondent's Fire Risk Assessor in May 2011.	Disallowed

						Also advising in respect of issues arising regarding vacant possession to be resolved before completion takes place together with the handover of the keys. A response was required by the Applicant and consider this forms part of the freehold transaction and falls within the scope of Section 33 costs.	
45	19.11.12	Sharpe Pritchard	£28.00	PS	Item relates to storage of items by Council tenants at Flats 3 & 4 in the basement and comments on an application from planning permission outside the scope of Section 33	Date incorrect, should be 19.10.12. Email to Applicant's solicitor informing them that awaiting to hear from them as to whether or not their client had any success with contacting the tenants of Flats 3 and 4. Also advising solicitor that Respondent's valuer did not add the value of the basements to the price payable for the freehold and that any profit generated from the development and resale of the basement would	This is not incidental to the valuation or conveyance, but related to negotiations over the use of the building and is not allowable under s.33(1)

		1		
			be shared with the	
			Respondent at such a	
			future date. Also	
			advising that	
			Respondent had agreed	
			in negotiations to	
			endeavour to get vacant	
			possession but	
			unfortunately was not	
			able to obtain this and	
			advising they should	
			complete and obtain	
			vacant possession in	# 1 1
			their own time as neither	·
			party would benefit	
			financially from an	
			undeveloped basement.	
			Advising that in the	
			interim their clients may	
			be able to negotiate a	
			rental income from the	
			relevant tenants in	
			respect of storage rights.	
			Requesting solicitor to	
			take their clients'	
			instructions on the	
			contents of the email	
			and revert to the	
			Respondent with	
			confirmation of	
			approval of the draft	
			lease and plans.	
			Consider this falls	
			within the scope of	
	<u> </u>		within the scope of	

						Section 33.	
46	13.11.12	Sharpe Pritchard	£14.00	PS	Item relates to storage of items by Council tenants at Flats 3 & 4 in the basement and comments on an application from planning permission outside the scope of Section 33	Email to Respondent on back of email from Applicant's solicitor requesting the exact status and occupation of the basement as far as the Respondent is concerned so they could assess how the matter should be dealt with from thereon. Consider this part of freehold transaction and within the scope of Section 33.	See paragraph 10 of the decision.  Disallowed
47	13.11.12 and 14.11.12	Sharpe Pritchard	£56.00	PS	Item relates to storage of items by Council tenants at Flats 3 & 4 in the basement and comments on an application from planning permission outside the scope of Section 33	Email from Respondent at 16:36 on 13.11 reaffirming their clients wish to have definitive statement as to the legal status of the occupation of the basement area before they consider exactly how they should proceed. The solicitors attached a copy letter from the Council's Planning Department to their client's advisers in response to a request for pre-advice in relation to the application for planning permission in relation to the proposed	Internal communications concerning the basement. See paragraph 10 of the decision.  The Tribunal does not follow the rest of the explanation, but such costs estimated to be reasonable in the circumstances of this case and recoverable under s.33(1) are determined in paragraph 16 of the decision.

						development referred to in the deeds now agreed	
						between us. They drew our attention to	
						comments in the section	
						on "Proposed Additional	
						Storeys" and stated the	
						rejection of the	
						application would have	
						potentially terminal	
						consequences for the	
						deal struck between	
						their clients and the	
						Respondent. An email	
						was forward to the	
						Respondent and their	
						Valuer for comment.	
						We consider this related	
						directly to the	
						acquisition of the	
						freehold by the	
				:		Applicant's clients and	
						therefore forms part of	
				]		the freehold transaction	
						falling within Section	
48	03.12.12	Sharpe	£70.00	PS	Item relates to	 33. Email from Respondent	The Respondent has
70	and	Pritchard	270.00	13	storage of items	client at 17:09 on	mixed work on the
	04.12.12	Titoliaid			by Council tenants	03.12.12 advising the	basement – which is
					at Flats 3 & 4 in	tenant's use of the	not allowable – with
					the basement and	basement room is and	work on the
					comments on an	was not appurtenant to	conveyance which is.
					application from	their residential tenancy	The Respondent has
					planning	but rather was provided	not set out within this

	permission outside	to them by the Council	schedule the items in
	the scope of	(non-exclusively) for the	question and the
	Section 33	storage of tools and	tribunal must do its
	Section 33	equipment relating to	best to apportion the
		the gardening and	cost, and has estimate
		cleaning work they did	the allowable costs in
		in the block.	paragraph 16 of the
		Respondent also	decision.
		requesting if we had	
		received a response to	
		our earlier letter to the	
		Applicant's solicitor of	
		3.12.12 regarding the	
		pre-planning advise with	
		which they had issues.	
		03.12.12 Long letter to	
		Applicant's solicitors in	
		respect of the basement	
		position and responding	
		to their statement	
		regarding the "Proposed	
		Additional Storeys" and	
		informing them that	
_		they had misread the	
		pre-planning advice and	
		that the additional storey	
		was deemed acceptable	
		to the planning	
		department and it was in	
		fact the treatment of the	
		mansard which was	
		considered	
		unacceptable, as the	
		planning department	
		Pranting department	

r	T				
				preferred to see a flat	
				roof.	
				04.12.12 email to	
				Respondent client, copy	
				to Valuer with update	
				and informing them that	
				we had sent an	
				engrossment of the	
				Leasebacks and the	
				Transfer Deed with the	
				Overage Schedule to the	
				Applicant's solicitor and	
				requested a new	
				completion date.	
				Email to Applicant's	
				Solicitor at 15:20	
				attaching a letter from	
				the Respondent dated	
				29.06.1999 to the tenant	
				of Flat 4 concerning the	
		1		TMO issuing them with	
				a key to the Gerda high	
				security H-Section lock	
				which had been fitted to	
				the basement storage	
				area in their block. The	
				locks were fitted to	
				increase security and the	
				tenant was the only	
				resident to be issued	
				with a key and advised	
				only to loan it to	
				legitimate people who	
				would return it to them	
	 			Would rotall it to thom	

						immediately when they finished with it.  These correspondences we consider form part of the overall freehold transaction and fall within Section 33.	
49	31.01.13 (post)	Sharpe Pritchard	£56.00	PS	Item relates to storage of items by Council tenants at Flats 3 & 4 in the basement and comments on an application from planning permission outside the scope of Section 33	No further information is available for this entry.	Insufficient evidence.  Disallowed
50	20.02.13	Sharpe Pritchard	£28.00	PS	Item relates to storage of items by Council tenants at Flats 3 & 4 in the basement and comments on an application from planning permission outside the scope of Section 33	Email from Respondent's Solicitor to Applicant's solicitor at 15:31 on 20.02.13 advising, inter alia, that our client does not know if there was anyone else storing goods in the basement other than the tenants of Flats 3 & 4 Orpen House. Also informing solicitor that Respondent informed her that they had spoken directly concerning the Acknowledgment of	These are mixed costs associated with basement clearance and tribunal proceedings – none of which are recoverable under s.33(1).  See paragraph 10 of the decision.  See reasons Item 5.

Service with a view to staying proceedings and that a draft of the proposed order would be sent to the	
that a draft of the proposed order would be sent to the	
proposed order would be sent to the	
be sent to the	
D 1 (2 )	
Respondent's solicitor	
for approval. The	
Respondent's solicitor	
also attached some	
photographs of the	
storage units received	
from the Respondent.	
Respondent's solicitor	
informing solicitor they	
intended to return the	
Acknowledgement of	
Service shortly and	
would need to have the	·
order as confirmation of	
at least an extension of	
time for filing any	
written evidence to	
extend the time period	
to 14 days from the date	
of filing the	
Acknowledgement.	
Half of this cost can be	
considered to fall	
outside Section 33 in	
respect of the proposed	
application by the	
Applicant's solicitor.	
	Conceded.
and Pritchard storage of items Respondent client	

	07.03.13				by Council tenants		concerning the	Disallowed
	07.03.13				at Flats 3 & 4 in		Applicant's solicitor's	Disallowed
					the basement and		Court Application.	
							Email from	
					comments on an			
					application from		Respondent's solicitor	
					planning		to Applicant's solicitor	
					permission outside		at 12:08 on 7 March	
					the scope of		advising Respondent	
					Section 33		had completed	
							Acknowledgement of	
							Service and would be	
							defending the claim on	
							the basis that the terms	
							of acquisition of the	
							property were agreed	
							prior to 19 October 2012	
							and therefore their	
							application was out of	
							time. Also advised that	
							the Respondant would	
							seek an order providing	
							for deemed withdrawal	
							pursuant to Section	
				· ·			24(4)(c) of the Act and	
							would also be disputing	
							the Courts' jurisdiction.	
							We can allow this cost	
							to be outside the scope	
							of Section 33.	
52	Unknown	Plans fee	£840.00	Cluttons	Fees for	The fees changed by	The Respondent's	The Tribunal accepts
					preparation of	Cluttons exceed a	valuer, Cluttons,	the explanation put
					Land Registry	reasonable sum	experienced problems	forward by the
					compliant plans,	based upon	trying to gain access to	Respondent for these
					should be reduced	compliance, not the	the property to prepare	additional fees.
L	L	L	L	1	bilodia do loddood	compilation, not the	all property to propure	additional roop.

		from /840 to /300 exclusive of VAT as /300 + VAT was the fee charges by the Claimant's surveyor for the provision of the two similar plans	figures for the same work undertaken by other surveyors	the lease plans. The various colourings specified in the agreed leasebacks had to be reflected in the lease plans. The plans had to be further amended to take out the stores on the ground floor as they were not demised to the individual lessees. Such plans were finally approved by the Applicant's solicitor on 12 November 2012. A provisional completion statement was forwarded to the Applicant's solicitor on 20 August 2012 which contained the amount for the lease plans which to the Respondent's solicitor's knowledge no query was raised by the Applicant's solicitor regarding the level of	Allowable as a cost of the conveyance  Allowed £840.00
				query was raised by the	

The Respondent is not VAT registered and VAT is not charged on their fees. VAT is however charged on Sharpe Pritchard's fees.