

IN THE MATTER OF
FLAT 72 EDDINGTON COURT, 30 BEACH ROAD, WESTON SUPER MARE,
BS23 1DH

THE RESIDENTIAL PROPERTY TRIBUNAL SERVICE
SOUTHERN RENT ASSESSMENT PANEL AND THE
LEASEHOLD VALUATION TRIBUNAL

CASE NO: CHI/00HC/LSC/2007/0108

AND

IN THE MATTER OF AN APPLICATION UNDER
SECTION 27A OF THE LANDLORD & TENANT ACT 1985 AS AMENDED ("THE
1985 ACT")
AND SECTION 20(C) OF THE 1985 ACT

DECISION

Applicant/Leaseholder:	Mr Norman W Greed Flat 72 Eddington Court 30 Beach Road Weston Super Mare BS23 1BH
Respondent/Landlord:	Fairhold Homes (No 9) Limited c/o Seddons Solicitors 5 Portman Square London, W1H 6NT
Premises:	Eddington Court 30 Beach Road Weston Super Mare BS23 1DH
Date of Application:	7 December 2007
Date of Directions:	12 December 2007
Date of Inspection and Hearing of Application:	2 April 2008
Venue of Hearing:	The Ivory Room Royal Pier Hotel Birnbeck Road Weston Super Mare BS23 2EJ
Members of the Leasehold	Mr A D McC Gregg, Chairman

Valuation Tribunal:	Mr J S McAllister, FRICS Clerk: Mr P Gerard
Persons Present at the Hearing: (For the Applicant):	The Applicant - Mr N W Greed Mr L Roberts (Lessee) Mr L Ball (Lessee) Mrs D Mitchell (Lessee)
Persons Present at the Hearing (For the Respondent):	The Respondent: Fairhold Homes (No 9) Limited Mr P Letman (Counsel) Miss J Canham (Seddons Solicitors) Mr I Rapley (Director of Fairhold Homes (No 9) Limited) Miss L Smith (Property Manager) Mr K Barr (Director of Estate Accounts for Peverell Management Services)
Other Persons Present as Observers:	Numerous other interested parties attended as observers.

1. Inspection of the Premises

- 1.1 On the 2nd of April 2008 prior to the hearing the Tribunal inspected the premises at Eddington Court, 30 Beach Road, Weston Super Mare.
- 1.2 Eddington Court is situated behind the Grand Atlantic Hotel on what was the old hotel car park and swimming pool site. Access to Eddington Court is from Beach Road.

The site was purchased by McCarthy & Stone in or about May 2000. McCarthy & Stone then constructed 21 two bedroomed apartments, 56 one bedroom apartments and a two bedroomed apartment provided for the house manager. There are a total of 78 apartments in all. The approximate layout and dimensions of the apartments are set out on Page 24 of the Applicant's second bundle under the heading of "Eddington Court Typical Apartment Plans".

- 1.3 The Tribunal first inspected the flat of the house manager (Susan Stone). This was a well appointed 2 bedroom flat situated on the first floor of the building comprising a lounge with a kitchen off, 2 bedrooms, a bathroom, a hallway and cupboard space. The flat is heated by night storage heaters and has the benefit of a dedicated parking space outside.
- 1.4 The Tribunal then inspected the guest suite which is situated on the ground floor and consists of a twin bedded room, a wardrobe and an ensuite shower. The Tribunal were informed that the charge for this guest suite is £15 per night for a single person, £20 per night for a couple.
- 1.5 The Tribunal then inspected the communal laundry room which was equipped with 5 washing machines and 4 drying machines.

- 1.6 Off the entrance hall the Tribunal inspected the well appointed residents' lounge off which the manager's office is situated. Adjoining the lounge is a communal kitchenette and a separate ground floor toilet.
- 1.7 Outside there are unallocated parking spaces for the residents and pleasant gardens front and rear.
- 1.8 Finally, the Tribunal inspected Apartment 72 (the Applicant's Apartment) which was situated on the fourth floor and consisted of 2 bedrooms, a lounge with kitchen off, a bathroom and cupboard space. Heating is by way of night storage heaters.
- 1.9. The Tribunal then adjourned to the Royal Pier Hotel for the hearing.

2. The Issues

- 2.1 The Issues to be determined by the Tribunal relate to the service charges payable by the Applicant (and other leaseholders) for the years 2004/5, 2005/6, 2006/7 and 2007/8. Those issues and the amounts in dispute as stated by the Applicant in his application are set out in the schedule below:-

	2004/5	2005/6	2006/7	2007/8
Rental charge to house manager's flat	£7,339.41 (6 months)	£14,500.00	£14,699.00	£15,295.00
Insurance	£3,473.00 (6 months)	£7,648.83	£8,763.32	£10,200.00
Estate Management	£7,840.43	£14,566.00	£15,363.62	£16,378.00
Accounts Administration	£3,360.18	£6,243.00	£6,584.32	£7,019.00
Ground Rent	£225.00	£450.00	£450.00	£450.00

3. Relevant Liabilities under the Lease

- 3.1 The Applicant's liabilities (covenants) are set out in his lease which is dated the 17th of August 2004 and which form Pages 54-89 of the Applicant's bundle.
- 3.2 Specifically, the fourth schedule of the lease (Page 71) specifies the service charge calculation and those items that are covered by the service charge.
- 3.3 The fifth schedule of the lease (Page 76) imposes the obligation on the Applicant to pay the rent and the service charge in the manner described in the lease.
- 3.4 The eighth schedule of the lease (Page 87) sets out the annual ground rent and specifies the service charge fraction numerator to be applied to each apartment.

4. The Law

- 4.1 Section 27a of the Landlord & Tenant Act 1985 ("the Act") states as follows:-

The Leasehold Valuation Tribunal may determine whether a service charge is payable and if it is, determine

- (a) the person by whom it is payable
- (b) the person to whom it is payable
- (c) the amount which is payable
- (d) the date at or by which it is payable
- (e) the manner in which is payable.

4.2 For the purposes of the Act a service charge is defined in Section 18(1) as "an amount payable by a tenant of a dwelling as part of or in addition to the rent

- (a) which is payable directly or indirectly for services, repairs, maintenance, improvement or insurance or the landlord's costs of management and
- (b) The whole or part of which varies or may vary according to the relevant costs (including overheads).

4.3 "Relevant costs" are defined as costs or estimated costs incurred or to be incurred by or on behalf of a landlord or superior landlord in connection with the matters for which the service charge is payable.

4.4 Section 19(1) of The Act deals with the test of reasonableness and the only costs that shall be taken into account in determining the amount of the service charge are those that are

- (a) reasonably incurred and
- (b) where they are incurred on the provision of services or carrying out of works if those services or works are of a reasonable standard.

5. The Applicant's Case

- 5.1 (a) The Applicant's case is that the rents charged for the house manager's apartment for the years 2004 to 2008 inclusive had been unreasonably high.
- (b) That the annual income for the guest suite should be credited to the leaseholders.
 - (c) That the annual cost of the buildings insurance was unreasonable and excessive.
 - (d) That the annual estate management charges were excessive.
 - (e) That the annual accounts administration charge was excessive.
 - (f) That the annual ground rent charged was excessive.

- 5.2 Mr Ball opened the Applicant's case. He has been a resident at Eddington Court since June 2004. He expressed the view that notwithstanding the best efforts by the residents to reach an amicable solution to the issues in dispute, they had not succeeded.

The Rent of the House Manager's Apartment

- 5.3 Mr Roberts then addressed the Tribunal on the issue of the house manager's apartment and referred the Tribunal to Paragraph 8 on Page 002 of Section 1 of the Respondent's bundle saying that the Applicants did not consider that the reduced figure for the period 2006/7 of £10,008 was fair and reasonable.
- 5.4 He then referred to Paragraph 6 on Page 35 of the Respondent's bundle and gave examples of other managers' flats in other developments at Knightstone Causeway and Rosselle, stating that these were luxury developments where the range of rents were between £8,540 and £9,600 per annum. He further asserted that the least popular of the two bedroomed flats had been chosen for the house manager and that the house manager's flat did not incur service charges or ground rent. In the view of the Applicants the method of arriving at a target rent was fundamentally flawed particularly because the Eddington Court development was apparently in the central ward which is a deprived area of the country.
- 5.5 The Tribunal's attention was then directed to Page 11 of the Applicant's second bundle and a letter to Ms Smith concerning Apartment No 8.

Apartment No 8 had apparently been sold and was let for a figure of £8,580 per annum inclusive of service charge and ground rent which equated to £6,301 per annum for a one bedroom apartment or, applying the 20% uplift, £7,561 for a two bedroomed apartment.

- 5.6 The Tribunal's attention was then drawn to Page 37 of the Respondent's bundle and the reference to the letting agents (Girtings) who apparently quoted a rental for a two bedroomed flat in the development as being between £9,300 and £9,540 per annum. After the deduction of the service charge and ground rent but subject to the appropriate multiplier of 0.9 this gave a notional rental figure of £6,454 per annum which is considerably less than the quoted target rent of £7,500 per annum.

The Guest Suite

- 5.7 Mr Roberts then referred to the guest suite and the rise in charges over the past 3 years which had gone from £10 per single occupancy to £15 and £12 for a double occupancy to £20 per day. The income from this apparently belongs to the Respondent who offsets it against the rental for the house manager's flat.
- 5.8 However the beds and bedding had been provided by the residents though the house manager does the ironing and every day maintenance during her hours of work.
- 5.9 He therefore asserted that there was a moral case for the residents to continue to receive this financial support.

5.10 Mr Rapley for the Respondents confirmed that they were under an obligation to provide a guest suite though the ownership of the suite is retained by the landlord.

Mr Barr confirmed that the income from the guest suite was credited to the service charge account each year.

The Annual Insurance Premium

5.11 Mr Greed then addressed the Tribunal with regard to the question of the annual insurance premium. The Tribunal were referred to Page 20 of the Applicant's second bundle and in particular the quote from G J Associates amounting to £6,387. He further went on to say that he had received a quotation that morning for £7,400 from Axa Insurance.

5.12 When the Applicants first moved in to Eddington Court the insurance was with the Norwich Union however as soon as the freehold had been sold to the Respondents the insurance had been transferred to the Zurich.

The Estate Management Fee

5.13 Mr Greed then moved on to the estate management fee. Apparently Eddington Court had been without an estate manager since June 2007 though Peverell Limited (who provide the management services) had taken on a new manager as from the 1st of March 2008. He stated that he did not feel that the annual figure of £16,000 per annum for the provision of an estate manager in any way justified the service that had been provided. Furthermore, the area estate manager apparently also looks after some thirty other developments.

The Accounts Administration Fee

5.14 Mr Greed then turned to the accounts administration fees and stated that Mr Barr had said that his figures were incorrect and that the figures quoted on Page 13 of the Respondents' bundle were exactly the same as those quoted on Page 23 of the Applicant's second bundle. The Respondents had already offered to deduct the sum of £602 for the period of time when there was no estates manager.

5.15 In answer to a question from Mr McAllister, Mr Roberts referred to Pages 5 and 6 of their second bundle and comparable rentals for two bedroomed flats stating that they ranged between £5,200 per annum to £7,500 per annum. Mr Roberts had not inspected the flats.

5.16 Mr Greed stated that he had spoken with a Mr Andrew Smith of Stevens & Co who had advised him that it was almost impossible to sell or let a flat at Eddington Court due to the service charge. The Tribunal were directed to the extract from the Age Concern web page on Page 2 of the bundle and were told that no further investigation had been carried out.

5.17 It was apparently North Somerset Council who had described the central ward area of Weston Super Mare as a deprived area following a Government survey.

5.18 Apartment No 8 at Eddington Court had been let for a figure of £8,580 per annum fully inclusive of ground rent and service charge.

6. The Respondent's Case

- 6.1 Mr Letman of Counsel then opened the Respondent's case and referred to his opening note which had been read by the Tribunal.

The Rent of the House Manager's Apartment

- 6.2 The Tribunal was referred to Clause 12 of Schedule 4 of the Applicant's lease (Page 71) and Clause 1.2.11 (Page 73) of the lease relating to "The costs of providing and maintaining in repair and good decorative order, accommodation for the house manager together with rents in respect thereof". The Tribunal were told that the rents complained of by the Applicant in respect of the manager's apartment were increased in accordance with the contractual position contained in his and other leases and the property information pack for prospective purchasers (see Paragraph 6.24 later).
- 6.3 Mr Letman urged the Tribunal to look at the capital value and base its calculation for a reasonable rent on the rate of return. Apparently a 10% discount is applied to the capital value to give a gross value they then apply an 8% figure to establish the return.
- 6.4 The Tribunal were told that historically McCarthy & Stone had applied an RPI calculation. Mr Letman went on to say that they also looked at the open market values on which there were very little comparables.
- 6.5 There was however one in the development which had been let for £8,580 per annum for a one bedroom apartment and he felt that the Respondents were entitled to take this into account when fixing the level of rent. If an uplift of 20% were applied to this figure (or 26%) Mr Letman maintained that this gave a market rental in the region of £10,500 per annum.
- 6.6 It was on this basis that the Respondents were looking for a rental of £10,008 per annum.
- 6.7 He urged the Tribunal to look at the development and all the facilities that it had to offer disregarding the allegation that the development was in a deprived area. Facilities included the provision of the house manager (with 24 hour cover), the garden, the communal laundry and the well appointed communal areas. On this basis he felt that £10,500 per annum was the true value to be applied.
- 6.8 In support of this argument he referred to the copy letter at Page 26 of the Applicant's bundle to Louise Smith dated the 24th of September 2007 from Mr Roberts.

He expanded on that argument by reference to Page 2 of the Respondent's bundle and calculated that if the capital value was £180,150 then the rental figure should be £9,323 per annum to which an uplift of 5.75% should be applied giving a figure of £10,500 per annum.

- 6.9 He then referred to comparables at Pages 5 and 6 of the Applicant's second bundle and the letter of the 24th August 2007 from Louise Smith at Page 41 of the Applicant's original bundle.

6.10 From these Mr Letman felt that the figure of £10,008 per annum was demonstrably supported.

The Annual Insurance Premium

6.11 Mr Letman then went on to address the insurance issue. He accepted that the Axa quote was lower but was adamant that there were material differences in the policy provisions. Following the hearing the Respondent's solicitors have provided a reinstatement valuation for insurance purposes dated May 2006 at £6,698,692 with a recommended revaluation every 5 years.

6.12 He pointed out to the Tribunal that the Respondents were not under an obligation to adopt and accept the cheapest or lowest quotes.

6.13 He felt that the level of cover was reasonable and pointed out that these were the actual costs of the insurance. He confirmed that the policy from the Zurich is part of a group policy and stated that as a result the Respondents got a better service for more cover.

Mr Letman then directed the Tribunal to the evidence of Mr Barr and in particular Exhibit KB4 on Page 33 of the Respondent's bundle.

6.14 It may be that the property had been under insured at a figure of £6.6M compared with £7M. Mr Greed stated that they had obtained a quote for £2,000 less through C J Insurers. Mr Letman stated that lift Insurance was not included in that quote.

The Estate Management Charges

Mr Letman then addressed the issue of the estate management charges and referred the Tribunal to Mr Barr's evidence and Exhibit KB1 at Page 13.

This exhibit set out the management fee charges for both the estate management and the accounts administration for the years concerned. The estate management charges includes the whole overhead and the manager is but one of the staff within that cost.

6.15 Since the manager is concerned with approximately 30 developments his salary is divided between all the developments.

6.16 It was accepted that Eddington Court had been without an estate manager for approximately 6 months and this equated to a reduction in the estate manager's charge of £613.

6.17 He referred to the letter of the 17th January 2008 from Messrs. Seddons (Page 91) of the Applicant's bundle.

Mr Greed confirmed that the claim in respect of this item related to the period from June 2007 to March 2008 but he further stated that the Applicants would like a ruling that the charge for 2008/9 of £16,378 is fair and in line with other professional charges.

The Tribunal heard that the estate manager's salary is £36,780 in respect of 30 sites. The figure in respect of Eddington Court was therefore £1,226 and a credit of £613 would therefore be given.

The Accountant's Administration Charge

- 6.18 Mr Letman stated that the Applicants had not produced any comparative evidence to support their contention that the estate management and the accounts administration charges were not reasonable.
- 6.19 The Tribunal were then directed to Exhibit KB3 on Page 29 of the Respondent's bundle and the comparisons between the costs incurred by a registered social landlord or a private company in managing similar developments.
- 6.20 From this it was seen that the estate management charge made in respect of Eddington Court is mid-range.

Mr Letman therefore felt that these charges were reasonable.

Ground Rents

Mr Letman then referred to the issue of the ground rents and stated that the Tribunal had no jurisdiction in respect of these.

This was accepted by the Tribunal.

Mr Letman then called Mr Rapley to give evidence as per his proof (Page 34) of the Respondent's bundle.

- 6.21 On the issue of insurance he did not believe that the quoted produced by the Applicants would provide like for like insurance and gave examples in support of that contention as well as the reasons for insuring all properties with the Zurich.
- 6.22 He confirmed that Fairhold Homes carried out a review every 3 years as to who would provide the best cover.
- 6.23 Mr Rapley agreed that there was an error in Paragraph 6 on Page 35 of his evidence and that the figures quoted should have been monthly.
- 6.24 When questioned by Mr McAllister with regard to Paragraph 7 on Page 2 of the Respondent's bundle Mr Rapley handed to the Tribunal the property information pack which we were told is given to every prospective purchaser and which was referred to as being collateral to the lease.
- 6.25 With regard to the service charges and service charge income, the guide provided by Peverel and in particular the information contained at Page 25 and Schedule 4 of the lease were referred to.

Mr Letman then referred to Paragraph 8 on Page 35 of the Applicant's bundle and in particular the arguments that had been advanced in the case of *Hawse and Others -v- Fairhold Homes (No 2) Limited - Case No CHI/46UD/LSC/2006/0105*. Whilst no copy of that judgment was available the Tribunal stated that it would research it and bear that in mind when considering their decision.

- 6.26 Reference was made to Paragraph 11 on Page 36, namely the purchase price of the flat. This had been quoted at £183,737 but the document from the Land Registry indicated a figure of £201,000.

Turning to the question of insurance, Mr Rapley reiterated his evidence on Pages 37, 38 and 39 of the Respondent's bundle and he confirmed that the Applicants/Lessees had not been advised of the change in insurance arrangements.

- 6.27 He did however go on to say that he would take the Applicant's comments back to Peverell. With regard to reinstatement costs, Mr Rapley was not sure how this was calculated but assumed it would have been on a valuation basis. This was clarified after the hearing when the Respondent's solicitor provided a reinstatement valuation for insurance purposes dated May 2006.

- 6.28 Mr Barr was then called to give evidence. He is the estate accounts director of Peverel Management Services Limited which managed Eddington Court.

He reiterated the evidence as provided in his witness statement, Pages 7-11 of the Respondent's bundle.

- 6.29 He confirmed that Peverel are members of the Association of Retirement Housing Managers and stated that their charges were competitive in the market place.

With regard to the accounts administration charges he felt that Mr Greed's figures were a year out in each case.

- 6.30 Mr Rapley then confirmed that they review their managing agents normally between 5 and 9 years and that Peverel act for the majority of their developments.

The Application under Section 20(c) of the Landlord & Tenant Act 1985

Mr Letman then addressed the issue of the application under Section 20(c) of the Act. In particular he referred to the case of *The Tenants of Langford Court v Doren Limited* and the principles laid down by that case concerning the exercise of discretion. He had previously referred to the extract from Woodfall with regard to Section 19 of the Act and the requirement of reasonableness together with the case of *Forcelux Limited v Sweetman and Another* and expressed the view that a Section 20(c) Order was not appropriate.

The hearing concluded at 4.00 p.m.

7. The Determination

- 7.1 In determining the amount which the Applicant (leaseholder) should be required to pay for the house manager's flat at the premises the Tribunal first looked at the provisions of the lease. The only specific reference to the obligation of the leaseholders to pay this item is in Paragraph 1-11 of the fourth Schedule of the lease (Page 73 of the Applicant's bundle) which refers to "the rents" in respect of the house manager's flat. There is no further explanation

in the lease as to what is meant by "the rents". If there had been no other indication of the parties intentions it is likely that the "rents" would be construed as meaning a reasonable rent for the house manager's flat such as could be obtained under an assured tenancy.

Furthermore, there is no document setting out a formula to enable the calculation as to how the rent would be charged.

7.2 The purchasers information pack is does not assist in this matter either and is ambiguous.

7.3 In the light of the above and bearing in mind all the evidence that the Tribunal had heard the Tribunal have concluded that the requirement under the terms of the lease is merely that the lessees should pay a reasonable rent for the house manager's flat and that this figure would be that which the flat might command if let on an assured tenancy.

7.4 The Tribunal had regard to all the evidence and in particular the evidence relating to Apartment No 8 which is let. Consequently the Tribunal decided that the following rents for the house manager's flat should apply.

2004/5 - £8,500 per annum

2005/6 - £9,000 per annum

2006/7 - £9,500 per annum

2007/8 - £10,000 per annum

7.5 Having determined that the rents for the house manager's flat for the years in dispute it follows that a refund of service charge will be due to those leaseholders who have overpaid.

It is hoped by the Tribunal that the parties will be able to agree as to who is owed what amount but should that not be possible permission is given to the parties to apply to the Tribunal to determine the matter. If that is necessary the Tribunal will need to be furnished with the dates upon which the current leaseholders acquired their flats and, if possible, the names and addresses of all previous owners where applicable.

7.6 The question as to whether or not the income from the guest apartment should be credited to the leaseholders or retained by the landlord is not a service charge matter in the Tribunal's judgment even though in the past it has had the effect of reducing the amount of the service charge demanded. In any event no such income has to date been withheld from the leaseholders and so there is nothing upon which the Tribunal can adjudicate.

7.7 Although it will be a disappointment to the Applicant, the Tribunal has no jurisdiction as to determine how future rents for the house manager's flat are fixed. If the Lessees do not consider that a reasonable sum is determined either in the budget or when the service is actually levied, their remedy is to apply afresh to the Tribunal for a determination.

7.8 The Tribunal then directed its mind to the question of the insurance premiums charged for the years 2004 to 2008 inclusive.

The landlord's obligation to insure is contained in Paragraph 5.1 of the sixth Schedule of the lease and requires the landlord to insure "with an insurer of his choosing".

- 7.9 The Tribunal has also borne in mind the requirements of Section 19 of the Act and the decision of Forcelux Limited v Sweetman and finds that the insurance premiums paid for the years in question and charged as part of the service charge are entirely reasonable.

Turning now to the estate management charges and the accounts administration charges, The Tribunal finds that with the exception of the refund for the period of absence by the estate manager, the charges made for these two items are reasonable and should not be the subject of a reduction.

Turning now to the application in respect of ground rents, the Tribunal has no jurisdiction concerning these and no adjudication is therefore made.

Finally, the Applicant made an application under Section 20(c) of the Act to preclude the landlord from seeking to recover the costs of the Tribunal proceedings from future service charge demands. The Tribunal has borne in mind the decision in the case of Langford Court v Doren Limited and the principles laid down in that decision. In this case the Applicant (Lessee) has succeeded in reducing the amount that he has had to pay for the house manager's flat over the past 4 years.

Since the claim with regard to the house manager's flat is the main item of contention in this application the Tribunal have decided that it would be just and equitable for the Respondent to be able to recoup only a contribution of £3,000 plus VAT towards its costs in connection with these Tribunal proceedings through future service charges.

The Tribunal were told that the Respondent's estimated costs in dealing with this matter were in the order of £10,000 and the Tribunal felt that this was excessive for a case of this nature.

Signed 
Andrew Duncan McCallum Gregg (Chairman)

Dated 22nd April 2008

IN THE MATTER OF
FLAT 72 EDDINGTON COURT, 30 BEACH ROAD, WESTON SUPER MARE,
BS23 1DH

THE RESIDENTIAL PROPERTY TRIBUNAL SERVICE
SOUTHERN RENT ASSESSMENT PANEL AND THE
LEASEHOLD VALUATION TRIBUNAL

CASE NO: CHI/00HC/LSC/2007/0108

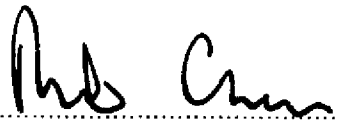
AND

IN THE MATTER OF AN APPLICATION UNDER
SECTION 27A OF THE LANDLORD & TENANT ACT 1985 AS AMENDED ("THE
1985 ACT")
AND SECTION 20(C) OF THE 1985 ACT

RESPONSE TO APPLICANT'S REQUEST FOR PERMISSION TO APPEAL
AGAINST THE DECISIONS OF THE LVT DATED 23RD APRIL 2008

1. The Residential Property Tribunal Service have received a request from the Applicant/Leaseholder for permission to appeal against the decision of the LVT made on the 23rd of April 2008.
2. That request is dated the 21st day of May 2008.
3. The request is made on the following grounds:-
 - "1. The amounts of the annual rents of the house manager's flat determined in Paragraph 7.4 of the decision are too high and, as a consequence, the amounts of the refund to be made will be too low.
 2. The award of costs of £3,000 to the Respondent under Section 20(c) of the 1985 Act from future service charge demands is unjustified and unfair to the Applicant."
4. The Tribunal takes note of the reasons put forward for the grounds of appeal.
5. With regard to Ground 1 above the Leasehold Valuation Tribunal came to its conclusion based on all the evidence before it at the hearing on the 2nd of April 2008 and the Tribunal made its decision upon that evidence.
6. With regard to Ground 2, it has never been suggested that the Applicant had ever been considered to be "frivolous, vexatious, abusive, disruptive or otherwise unreasonable".
7. Nonetheless the application included a valid application under Section 20(c) of the Landlord & Tenant Act 1985 with regard to the Respondent's costs.

8. Since the Tribunal had to consider and adjudicate upon not only the rental charge for the accommodation of the house manager but also the charges for insurance, estate management, accounts administration and ground rent for the years 2004/5, 2005/6, 2006/7 and 2007/8 it was perfectly proper for the Tribunal to give consideration to the Section 20C Application.
9. In those circumstances and in the light of their decision concerning the above matters the Tribunal considered it reasonable to order only £3,000 towards the Respondent's costs and in accordance with the guidance laid down by the Lands Tribunal in *Langford Tenants v Doran* LRX/37/2000.
10. In view of the above the Tribunal refuses permission for leave to appeal against the decision of the 23rd of April 2008.

Signed 

Andrew Duncan McCallum Gregg (Chairman)

Dated  June 2008