



**SOUTHERN RENT ASSESSMENT PANEL
LEASEHOLD VALUATION TRIBUNAL**

Case Reference: CHI/21 UD/LSC/2008/0068

**DECISION OF THE LEASEHOLD VALUATION TRIBUNAL ON AN
APPLICATION UNDER SECTION 27A & 20C OF THE
LANDLORD AND TENANT ACT 1985 (AS AMENDED)**

Premises: Flat 7 15 Pevensey Road St Leonards East Sussex TN38 0JY

Applicant: Mr M Ogedengbe

Respondent: 15 Pevensey Road Ltd

Appearances for Applicant: In Person

**Appearances for Respondent: Mr Papanastasiou, Mr Stevens, Directors of
the Respondent company**

Date of Hearing: 17 October 2008

Date of Decision:24 October 2008

**Leasehold Valuation Tribunal: Mrs F J Silverman LLM
Mr BHR Simms FRICS MCI Arb
Mr A O Mackay FRICS**

DECISION

The Tribunal declares that the service charges (including insurance premiums) for the years 2006, 2007 and 2008 are currently irrecoverable by the Respondent.

The Tribunal grants the Applicant's application under section 20C Landlord and Tenant Act 1985.

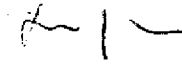
REASONS

- 1 The Applicant brought an application dated 16 July 2008 under section 27A Landlord and Tenant Act 1985 asking the Tribunal to determine the reasonableness of service charges for the years ending 31 December 2006, 2007 and 2008 and for the limitation of the landlord's costs under section 20C Landlord and Tenant Act 1985.
- 2 A pre-trial review was held on 20 August 2008 at which Directions were issued and Mr Stevens was, at his own request, added as a second Respondent to the Application.
- 3 The Tribunal inspected the premises on 17 October 2008. They comprise the ground floor and part of the rear garden of a late Victorian semi-detached house (the property) which has now been converted into seven flats, including the premises. The property is situated in a residential street in St Leonards, close to the town centre and within walking distance of the sea front and all amenities. On street car parking is available in Pevensey Road and adjacent streets. The Tribunal inspected the exterior and common parts of the property as well as the interior of the premises. The exterior of the property was found to be in fair condition, having been recently repainted. The interior common parts of the property were dark and in need of redecoration and repair. The interior of the premises themselves does not need to be discussed as it does not form part of this application.
- 4 The bundle presented to the Tribunal for the hearing comprised documents compiled by the Applicant alone because the Respondent had failed to comply with the Tribunal's Directions. No valid reason for this omission was given to the Tribunal.
- 5 The Respondent's representatives are the current registered Directors of the Respondent company. They are also tenants of other flats in the property, the Respondent company's membership comprising the tenants of the seven flats in the building. Mr Stevens had asked to be added as a Respondent to the application as a Respondent because he felt that he had an interest in the outcome of the application. He had no standing in his personal capacity as an individual tenant (as opposed to his position as a Director) and asked to be removed as a Respondent. The Tribunal granted this request.

- 6 The Applicant complained that the insurance premium for the property was too high. He had obtained a provisional quotation from a broker which was for a premium about 50% less than the Norwich Union policy taken out by the Respondent. The Respondent produced the policy and receipt for its current premium to the Tribunal for inspection. The Tribunal, from its own experience of buildings insurance, considered that the premium charged by the Norwich Union equated with the rates currently charged by other reputable companies for this type of cover, whereas the alternative quotation obtained by the Applicant fell substantially below the normal rates by a considerable margin, indicating that the alternative quote might not be reliable as a comparison. The Respondent had not sought alternatives quotations before the recent renewal of the policy and the Tribunal recommended that it should do so in future. It appeared therefore that the insurance premium charged for the property as a whole was not unreasonable.
- 7 The Tribunal was unable to consider the reasonableness or otherwise of the service charges themselves for two reasons. Firstly, the Applicant made no specific complaint about the charges, and secondly because the Respondent produced no accounts or receipts other than the company accounts which had been prepared for filing at Companies House.
- 8 The Respondent said that they had never sent out service charge demands or accounts but had dealt with matters informally, applying the tenants' monthly payments to repairs as and when necessary.
- 9 The Tribunal pointed out to the Respondent that the leases of the flats did not permit them to establish a sinking fund or to demand service charge in advance therefore all the money in such a fund should be returned to the tenants.
- 10 Further, since the Respondent had not complied with sections 47 and 48 Landlord and Tenant Act 1985 they were unable to recover any service charge (including the insurance premiums) from the tenants until proper service charge demands in accordance with these sections had been served. Such demands could only be made in respect of sums incurred within 18 months of the expenditure (section 20B Landlord and Tenant Act 1985). The Respondent was also reminded of the requirement to consult the tenants under section 20 Landlord and Tenant Act 1985 in respect of major items of expenditure.
- 11 For the above reasons the Tribunal declares that the service charges (including insurance premiums) for the years 2006, 2007 and 2008 are currently irrecoverable by the Respondent.
- 12 The Respondent was advised to seek legal advice on its responsibilities as a landlord and to consider the appointment of a managing agent.
- 13 Having heard representations from the Respondent the Tribunal grants the Applicant's application under section 20C Landlord and Tenant Act 1985. If the Respondent had complied properly with its

statutory obligations in relation to service charges this application
might not have been necessary.

Frances Silverman
Chairman
24 October 2008

A handwritten signature in black ink, appearing to be 'F Silverman', written in a cursive style.

**SOUTHERN RENT ASSESSMENT PANEL
LEASEHOLD VALUATION TRIBUNAL**

Case Reference: CHI/21 UD/LSC/2008/0068

**DECISION OF THE LEASEHOLD VALUATION TRIBUNAL ON AN
APPLICATION FOR LEAVE TO APPEAL**

Premises: Flat 7 15 Pevensey Road St Leonards East Sussex TN38 0JY

Applicant : Mr M Ogedengbe

Date of Decision: ...24 November 2007.....

Leasehold Valuation Tribunal: Mrs F J Silverman LLM

DECISION

The Applicant's application for leave to appeal the Tribunal's decision dated 24 October 2008 is refused.

REASONS

- 1 By letter dated 12 November 2008 the Applicant sought leave to appeal the Tribunal's decision dated 24 October 2008.
- 2 The Applicant's application to the Tribunal had been in respect of service charges payable by him for his flat at the above address.
- 3 The Tribunal's decision was favourable to the Applicant in that it decided that , for the reasons cited in the decision the Respondent was not able to recover any service charges for the years in dispute. There is therefore no ground for the Applicant to appeal this part of the decision .
- 4 The Tribunal also held that the Respondent was not entitled to maintain a sinking fund, thus also making a finding in favour of the Applicant against which he shows no grounds of appeal.
- 5 In respect of the insurance premiums which were also queried by the Applicant the Applicant provides no grounds on which an appeal can be sustained.
- 6 In summary, the Applicant has provided no grounds on which an appeal could be sustained and it is not in the interests of justice to allow the application to appeal.



Frances Silverman
Chairman
24 November 2008