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LEASEHOLD VALUATION TRIBUNAL

S. 88(4) COMMONHOLD AND LEASEHOLD REFORM ACT 2002

Ref: LON/00AL/LRM/2010/0002

111 Dartmouth Road, London SE23 3HX

Grounds Rent (Regis) Limited

Applicant

111 Dartmouth Road RTM Company Limited

Respondent

Tribunal: Mr M Martynski (Solicitor)

DECISION

Decision summary

1. The Tribunal determines that the amount of costs payable by the Respondent is £612.00 plus VAT and disbursements of £47.05.
2. The building in question consists of four residential flats.

Background

3. A Right to Manage Company was set up by leaseholders in the building and that Company went on to acquire the Right to Manage.
4. In accordance with section 88 of the Commonhold and Leasehold Reform Act ('the Act') the Applicant has claimed costs from the Respondent in the total sum of £893.05.

5. In accordance with directions given on 16 November 2011, the Respondent has set out points of dispute in relation to the Applicant's costs. The Applicant has replied to those points of dispute.
6. The Respondent then made further representations commenting on the Applicant's reply to the points of dispute. These further representations are not dated. They were sent to the Tribunal offices by fax on 20 January 2011. As these representations were not authorised by the directions, the Tribunal has refused to consider them.

The issues and the Tribunal's decisions

Hourly charge

7. The hourly rate charged by the Applicant's solicitors is £180.00 (excl. VAT) The Respondent has suggested a charge of £125.00.
8. The Tribunal considers that an hourly rate of £180.00 for this type of specialised work for a firm in Essex is reasonable.

Investigations and perusal of office copy entries and the company constitution

9. The time claimed for this is 2 hours and six minutes. The Respondent says that only 1 hour is reasonable for this work.
10. There does not appear to be anything unusual about the building in question or its occupation. All the documentation in the process appears to be in a standard form.
11. If an hourly rate of £180.00 is claimed, it can be expected that the fee-earner in question has experience and expertise in the matter in hand and is therefore expected to deal with relatively straight-forward matters like these expeditiously. The Tribunal considers that 1 hour and 30 minutes would be sufficient for this work.

Service of the Contract and Contractor's notice

12. This work was objected to on the grounds that it did not require the services of a solicitor and is not claimable under the Act in any event.
13. The Tribunal considers that it was reasonable for there to have been legal work carried out in respect of the notices and that the cost of this work is claimable under the Act as it is work that is properly carried out in consequence of a claim notice.
14. The time claimed for this item (30 minutes) is reasonable.

Securing membership to the RTM Company

15. The same objections were raised by the Respondent as are set out in paragraph 12 above.

16. The Tribunal considers that the costs of this work are claimable and reasonable for the reasons given in paragraphs 13 & 14 above (in this case the time taken was just 6 minutes).

The production of service charge accounts

17. The Respondent's objection was that this was not a recoverable charge and was not legal work in any event. It was conceded by the Respondent that, had an accountant been appointed, the accountant's costs could have been claimed via the service charge.
18. There is no specific charge for service charge accounts in the Applicant's solicitor's bill and the Applicant's solicitors explain that all they did was to pass the accounts from their client to the Respondent. There is therefore no decision required from the Tribunal on this issue save the comments under the heading of general correspondence made below.

General correspondence

19. The remainder of the Applicant's solicitor's bill is charges for correspondence at £18.00 per item (that being one-tenth of the hourly charge which has already been found to be reasonable).
20. A total of 12 items of correspondence have been charged for. The parties with whom correspondence is being conducted are, the Applicant, the Respondent and contractors.
21. The nature and amount of the correspondence claimed for is reasonable and claimable under the Act being work carried out in consequence of a claim notice.

Disbursements

22. The Tribunal finds these disbursements to be reasonable. It was reasonable to obtain office copy entries and plans (at £4.00 each) from the Land Registry for each flat and the freehold (that is 10 x £4.00). No objection was made to other disbursements save a mention as to delivery. If this was an objection the special delivery charge, that objection is rejected. Such a method of delivery is reasonable.



Mark Martynski
Tribunal Chairman
27 January 2010