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RESIDENTIAL PROPERTY TRIBUNAL SERVICE

LEASEHOLD VALUATION TRIBUNAL

LANDLORD AND TENANT ACT 1985 – SECTION 20A & 20C

LON/OOAU/LSC/2009/0675

Premises: 5 Meakin House, Georges Road, London N7
8JB

Applicant: Mr. A Anastassiades

Represented by: Ms. Andrews (daughter)

Respondent: Hyde Housing Association Limited
(Hyde Northside Homes Limited)

Represented by: Mr. M Donnellan, Trowers & Hamlins
Solicitors

Tribunal: Ms. LM Tagliavini, LLM, DipLaw, BA Hons
Mr. D Edge, FRICS
Ms. S Wilby

Hearing Date: 24 February 2010

1. This is an application made pursuant to section 27A of the Landlord and Tenant Act 1985, seeking a determination as to the reasonableness of interim service charges for the year 2009/2010. It is said by the Applicant that these charges have effectively doubled since 2008/2009, from £34.22 per month to £71.45 per month and are unreasonable. By a lease dated 23 February 1998, a term of 125 years from 25/12/85 was granted in respect of the subject premises. The premises comprise a flat on the first floor of a purpose built block of 11 flats over three floors. The block forms part of a five-block estate known as the Ringcross Estate ("the Estate").

2. In oral evidence to the Tribunal, Ms. Andrews on behalf of the Applicant specifically challenged the percentage increase of some of the service charge items, although not the actual monetary cost. The Applicant also challenged the generality of the service charges for the year 2009/10, which he compared to those levied for 2008/09. These were itemised as:

2008/09:

	Monthly
Scheme Salary Costs.....	£19.82
Cleaning Equipment & Materials.....	£0.14
Grounds Maintenance Contract.....	£5.55
Play Equipment Maintenance.....	£1.69

Communal Electricity Bills.....	£5.38
Lighting Maintenance.....	£0.89
Communal Responsive Maintenance – not tenants...	£4.89
Buildings Insurance.....	£6.46
Management Fees.....	£4.96
Surplus/deficit.....	£15.68

Monthly Total..... £34.22

2009/10:

	Monthly
Cleaning.....	£0.96
Gardening:.....	£2.56
Heat, light, power & water.....	£8.15
Insurance.....	£6.46
Maintenance.....	£3.58
Management Fee.....	£5.70
Scheme Based Staff.....	£27.97
TV Door Entry.....	£1.95
Prior Year Adjustment.....	£14.12

Monthly Total... £71.45

3. The Applicant made complaints about the standard of cleaning provided. It was said that the communal parts in the Applicant's block were often left dirty and uncleaned, and were subject to dog excrement and litter collecting on the

stairs and passageways. The communal electricity was said to comprise of light bulbs on each of the 3 floors of this block, and consequently the charges made were excessive. Ms. Andrews put the Respondent proof of the reasonableness of their 2009/2010 service charges.

4. Mr. Donnellan on behalf of the Respondent both relied on the written Reply submitted by the Respondent, and gave oral evidence to the Tribunal on behalf of his client. He conceded that errors in the service charge accounts had occurred since his client had acquired this and other properties in a mass housing stock transfer from the London Borough of Islington in 2005. He also conceded that the deficit charge of £14.12 per month would be withdrawn and borne, if necessary, by his client. This left a monthly interim payment of £57.33.

5. Mr. Donnellan told the Tribunal that the Scheme Salary Costs comprised the cost of employing three dedicated staff for the Estate; two caretakers and one cleaner whose job it is to look after the five blocks making up the Estate. As the other blocks were considerably larger than Meakin House, this meant that most of these employees time would be spent elsewhere on the Estate, with the cleaner allocated only one day a week at the subject block. Mr. Donnellan explained that the increases in charges for staff were likely to have resulted from an undercharging in recent years, and that the current 09/10 charges reflected the actual cost. He assured the Tribunal that any of the previous undercharged amounts, were not now being passed onto to the leaseholders. He stated that the lease allowed for the freeholder to charge the

cleaning/caretaking costs as Estate costs, rather than as Building costs, and Mr. Donnellan accepted that, for the Applicant at least, this produced a rather unbalanced result.

6. Mr. Donnellan accepted on questioning by the Tribunal, that the communal electricity charges in the region of £1,000 per annum, appeared excessive where there were 11 flats in total in this block, with no balconies and one communal hall way and a light on each of three landings. He accepted that his client should look again at these costs to ensure they were being properly allocated and calculated in accordance with the lease as 'Building costs' in accordance with the Third Schedule of the lease.

7. Mr. Donnellan told the Tribunal that the communal T.V. charges were actually related to the door entry system, and were another example of misnaming or inconsistencies in labelling service charge items. He stated he did not know if there was a maintenance contract in respect of this item which comprised of a buzzer and door release system to each flat.

The Tribunal's Findings:

8. Although the service charges for the year 2009/10 are interim, and are subject to adjustment (either upwards or downwards) once the final accounts are produced, the Tribunal finds that these charges are excessive and unreasonable in some respects. In light of the Respondent's concession as to the deficit sum of £14.12 per month the

Tribunal does not need to comment further. Overall, the Tribunal finds this service charge account to be in a chaotic and to some extent unexplainable condition, and it is to be hoped that matters will improve. The Tribunal finds the heat, light, power and water provided to the Block are minimal and the charges made are excessive. The Tribunal and reduces these to the more reasonable sum of £1.51 per month (£200 annum for the block). Therefore, in respect of the Applicant, this reduces the interim service charges for 2009/10 to £50.69 per month

9. The Tribunal accepts that the door entry phone is likely to be subject to a need for regular maintenance and no complaints were made by the Applicant that it was continually breaking down. Bearing in mind the relatively unsophisticated system in place, the Tribunal, relying on its knowledge and expertise, considers that the sum in the region of £250 per annum for this item is reasonable. Therefore, the Tribunal considers the sum charged for this item to be reasonable and makes no adjustment.

10. Although, some of the service charge items lacked clarity in their description and calculation, the Tribunal is satisfied that the services are provided to the Applicant and are otherwise reasonable, with the caveat that the cleaning and caretaking costs should be looked at again by the Respondent, as the lease appears to allow these to be recoverable both as Building costs and Estate costs. The apportionment of these costs requires clarity in the actual costs produced for 2009/2010. Therefore, the Tribunal determines that a

reasonable interim monthly service charge for the period 2009/10 is £50.69.

Section 20C/Reimbursement of Fees:

11. The Respondent did not seek the costs of this litigation to be added to the service charges and therefore the Tribunal was not required to consider this issue. In light of the above decision and certain concessions made by the Respondent, the Tribunal considers that it would be reasonable to require the Respondent to reimburse the cost of the application and hearing fee to the Applicant. However, the Tribunal understands that the Applicant is entitled to have these sums waived due to his level of income and therefore has not been placed out of pocket by reason of this application to the Tribunal. Therefore, the Tribunal makes no order on this application.

Chairman: LM Tagliavini

Dated 3 March 2010