

MAN/00EU/LSC/2010/0011

LEASEHOLD VALUATION TRIBUNAL
OF THE
NORTHERN RENT ASSESSMENT PANEL

REASONED DECISION OF THE LEASEHOLD VALUATION TRIBUNAL

LANDLORD AND TENANT ACT 1985
SECTION 27A (3)

- Premises: each of 2,8,47 and 51, White Clover Square and 6, Wellcroft Gardens, Lymm WA13 0RX, of which 2,8,47 and 51, White Clover Square are houses, and 6, Wellcroft Gardens is a flat
- Development: the mixed development of houses and flats known as "The Seasons", Longbutt Lane, Lymm, Cheshire WA13 0QW
- Head House Lease: the lease made between Taylor Woodrow Developments Limited (1), Wilson Connolly Limited (2), The Seasons Residents Association Limited (3) and Manchester and District Housing Association Limited (4) in respect of a house at the Development for a term of 250 years from 1 January 2007
- Head Flat Lease: the lease made between Taylor Woodrow Developments Limited (1), Wilson Connolly Limited (2), The Seasons Residents Association Limited (3) and Manchester and District Housing Association Limited (4) in respect of a flat at the Development for a term of 125 years from 1 January 2007
- Head Leases: together the Head House Lease and the Head Flat Lease
- Shared Ownership Lease: a lease in respect of a house or a flat at the Development
- Applicants: Ms.L.O'Callaghan (47), Mr.P.Gifford (2), Ms.C.Dacre & Mr.J.Kerry (51), Ms.A.Owen & Mr.C.Platt (8), Ms.M.Skidmore & Mr.J.Davies (6)

Respondent: The Seasons Residents Association Limited; Manchester and District Housing Association

Tribunal members: Mrs.C.Wood (Chairman)
Mr.D.Pritchard
Miss C.Roberts

Date of decision: 9 October 2010

DECISION

The Tribunal determines as follows:

1. That there is no evidence of any variation of the Head Leases to vary “the Lessee’s Proportion of the Maintenance Expenses” as permitted under paragraph 5 of the Sixth Schedule. Accordingly, the Lessee’s Proportion of the Maintenance Expenses is as follows:
Under the Head House Lease
 - (i) 0.00% of the costs of Building Maintenance Charge
 - (ii) 0.00% of the costs of Parking Spaces and Access Charge
 - (iii) 0.8% of the costs of Parking Spaces Lighting Charge
 - (iv) 0.32% of the costs of Estate Maintenance Charge
Under the Head Flat Lease
 - (i) 1.79% of the costs of Building Maintenance Charge
 - (ii) 2.6% of the costs of Parking Spaces and Access Charge
 - (iii) 0.8% of the costs of Parking Spaces Lighting Charge
 - (iv) 0.16% of the costs of Estate Maintenance Charge.
2. That the apportionments of the Flat Building Charge (defined as “the Buildings Maintenance Charge” under the Head Leases), the Shared Parking Court Access (defined as “the Parking Spaces and Access Charge” under the Head Leases), the Parking Court Lighting Contribution (defined as the “Parking Spaces Lighting Charge” under the Head Leases) and the Estate Contribution (defined as the “Estate Maintenance Charge” under the Head Leases) as set out in the Service Charge Estimates for the Service Charge Years 2007, 2008 and 2009 are not in accordance with the proportions as determined under the Head Leases.
3. That the Leaseholder’s obligation is limited under clause 3.2(b) of the Shared Ownership Lease “ [T]o pay on demand the Leaseholder’s Proportion of the Estate Maintenance Charge (as defined in the Superior Lease)” and does not include the Buildings Maintenance Charge, the Parking Spaces and Access Charge and the Parking Spaces Lighting Charge.

4. That the following amounts incurred in the Service Charge Years 2007, 2008 and 2009 are reasonable and/or were reasonably incurred:

2007

<u>A. Building Maintenance Charge</u>	<u>£</u>
1. Insurance	2620
2. Management Fees	593
3. Electricity – common parts	1060
4. Reserve Fund	<u>1359</u>
	<u>£ 5632</u>

Flat Lessee's Proportion @ 1.79% = £100.81

<u>B. Parking Spaces and Access Charge</u>	<u>£</u>
1. Reserve Fund	197

Management fees of £23 were disallowed as it was determined that they are unreasonable as they should be included within the Management Fees in A above.

Flat Lessee's Proportion @ 2.6% = £5.12

<u>C. Parking Spaces Lighting Charge</u>	<u>£</u>
1. Reserve Fund	251

Management fees of £29 were disallowed as above.

Flat Lessee's and House Lessee's Proportion @ 0.8% = £2.00

<u>D. Estate Maintenance Charge</u>	<u>£</u>
1. Audit and accountancy fees	1233
2. Reserve Fund (Play area)	4195
3. Tree Reserve Fund	280
4. Reserve Fund	<u>610</u>
	<u>£6318</u>

Flat Lessee's Proportion @ 0.16% = £10.11

House Lessee's Proportion @ 0.32% = £20.22

Flat Lessee's Service Charge: £118.04

House Lessee's Service Charge: £22.22

2008

<u>A. Building Maintenance Charge</u>	<u>£</u>
1. Cleaning:	2172
2. Window cleaning	730
3. Insurance	2809
4. Management fees –	allowed at 5456
5. Minor repairs	157
6. Elect. Repairs/light bulbs	329
7. Electricity – common parts	allowed at 2622

8. Reserve Fund 3591
£ 17866

Flat Lessee's Proportion @ 1.79% = £319.80

B. Parking Spaces and Access Charge £
1. Reserve Fund 513

Management fees of £299 disallowed as unreasonable as above.

Flat Lessee's Proportion @ 2.6% = £13.33

C. Parking Spaces Lighting Charge £
1. Electricity 167
2. Reserve Fund 433
£ 600

Flat Lessee's and House Lessee's Proportion @ 0.8% = £4.80

D. Estate Maintenance Charge £
1. Gardening & sweeping 752
2. Management fees 1778
3. Audit and accountancy fees 1403
4. Sundries 513
5. Tree Reserve Fund 283
6. Reserve Fund 849
£5578

Flat Lessee's Proportion @ 0.16% = £8.92

House Lessee's Proportion @ 0.32% = £ 17.85

Flat Lessee's Service Charge = £ 346.85

House Lessee's Service Charge = £ 22.65

2009

A. Building Maintenance Charge £
1. Cleaning allowed at 6000
2. Window cleaning 2876
3. Insurance 4305
4. Insurance valuations 168
5. Management fees 5456
6. Minor repairs 1992
7. Elec. Repairs/light bulbs 1854
8. Door entry system 1270
9. Fire alarm/smoke ventilation 2177
10. Electricity – common parts 9474
£ 35572

The charge of £326 for the refuse bins was disallowed.

Flat Lessee's Proportion @ 1.79% = £ 636.74

B. Parking Spaces and Access Charge

Management fees of £518 were disallowed.

C. Parking Spaces Lighting Charge

1. Electricity

£
616

Management fees of £ 459 were disallowed.

Flat Lessee's and House Lessee's Proportion @ 0.8% = £ 4.92.

D. Estate Maintenance Charge

1. Gardening & sweeping

£
allowed at 14400

2. Management fees

allowed at 1778

3. Audit and accountancy fees

1671

4. Co. Secretaries

642

5. Sundries

426

6. Minor repairs

1695

7. Health & Safety inspection

955

£ 21567

The charge for the refuse bins of £452 was disallowed.

Flat Lessee's Proportion @ 0.16% = £ 34.50

House Lessee's Proportion @ 0.32% = £ 69

Flat Lessee's Service Charge = £ 676.16

House Lessee's Service Charge = £ 73.92

5. That the Applicants' application under section 20C of the Act is granted.

REASONS FOR DECISION

Background

1. By an application to the Leasehold Valuation Tribunal dated 25 January 2010, the Applicants (being the leaseholders of the Premises other than 6, Wellcroft Gardens) sought a determination under section 27A of the Landlord and Tenant Act 1985 ("the 1985 Act") in respect of the service charge payable under the Shared Ownership Leases in respect of the Premises for 2007 (part year), 2008 and 2009. The leaseholder of 6, Wellcroft Gardens was joined as an Applicant by order of the Tribunal and confirmed to the parties by letter dated 7 July 2010.
2. Directions were issued on 8 June 2010 which included, inter alia, a direction that a hearing would be held in August 2010, and a site inspection would be held on the same day.

3. The hearing took place on 16 August 2010 at 11.15am at The Lymm Hotel, following the inspection which took place at 10.15am on the same date. The hearing was attended by Ms.L.O'Callaghan (No.47) for the Applicants. Mr.J.Goodwin and Mr.P.Russell of RMG attended as managing agent for The Seasons Residents Association Limited, and Ms.J.Holt of Outlook Homes attended as managing agent for Manchester and District Housing Association Limited ("MDHA"), together with Ms.A.Macera, also of Outlook Homes, and Mr.A. Hammersley of Harvest Housing Group, which is the parent company of Outlook/MDHA. Also present was Mr.A.O'Callaghan, Ms.O'Callaghan's father.
4. In her submissions, Ms.O'Callaghan explained that she had lived at her property since April 2007. From that date until August 2008, she had paid rent plus a monthly charge of £18.12. With the agreement of the other parties present, she produced a statement from Harvest in respect of the period 1 October 2009 – 21 January 2010 which itemized (amongst other things) "other charges" of £18.12. An accompanying explanatory statement stated that "Other Charges" are "All other charges that aren't rent for example service charges... These are the annual service charges that have been debited to your account. These coincide with the invoices you have received".
5. Ms.O'Callaghan explained that, on the basis of this documentation, she had assumed that the £18.12 per month charge was payment for service charge until receipt of a letter dated 22 August 2008 which was sent to each of the Applicants (and copies of which appear as Item 6 in MDHA's Bundle of Documents) requesting payment of unpaid service charge for the period from 1 January 2007 – 31 December 2007 which the letter explained had not been previously invoiced.
6. Mr. Goodwin explained that a service charge budget would be sent to MDHA before the start of the service charge year (although he conceded that they had been late in sending out the 2007 and 2008 budgets) which had an itemized breakdown for the Development and then a statement of the amounts in respect of each property at the Development. Copies of the budgets for the service charge years 2007, 2008 and 2009 appear at pages 235 – 269 of RMG's Bundle of Documents. It was noted from these budgets that the charges payable only by the flats were apportioned on the basis of 56 units, that the "Parking Court Lighting Contribution" on the basis of 125 units, the "Estate Charge" on the basis of 214 units and the "Shared Parking Court Access" on the basis of 68 units. On inspection it had been confirmed to the Tribunal that the Development currently comprises 158 houses and 56 flats.
7. Mr.Goodwin confirmed that no breakdown of the service charge for each house/flat at the Development was sent out. Ms.Holt for Outlook confirmed that they would send out the service charge budget and the service charge invoice (together with the Summary of Rights and Obligations) as prepared by RMG but again no individual breakdown of the service charge.

8. Ms.O'Callaghan then stated her concerns as to the level of service that was being provided at the Development, and the level of supervision and/or management of contractors providing those services. With regard to the contractors, Mr.Goodwin confirmed that they maintained a database of contractors and invited tenders for all services, administrative as well as the more "tangible" such as cleaning, landscaping etc. He confirmed that all contractors were engaged on "rolling purchase orders" and could be terminated on 28 days' notice. With regard to the adequacy of the services provided, he stated that regular inspections were carried out and confirmed as follows:
 - (i) window cleaning at the blocks of flats was carried out monthly;
 - (ii) landscaping/gardening was 2 visits per month March – October in each year, and 1 visit per month November – February;
 - (iii) cleaning of the internal communal areas of the blocks of flats was weekly; they worked for "as long as it takes to get the work done".
9. Mr.Russell of RMG commented that there may be more complexity than is the norm in this arrangement because MDHA was the leaseholder and the individual leaseholders, including the Applicants, were sub-lessees. All budgets, invoices etc were addressed to MDHA and it was presumed that these were then "filtered" down to the individual leaseholders by MDHA. He also commented that eventually it is the intention that The Seasons Residents Association Limited will be handed over to the residents.
10. In response to the Tribunal's referral of the parties, and, in particular, the Respondents to the provisions of the Shared Ownership Leases in respect of "the Lessee's Proportion of the Maintenance Expenses " and paragraph 5 of the Sixth Schedule (procedure for variation of the same), Ms.Holt confirmed that it was not her understanding that any of the documentation received from RMG was intended to be notice of a variation in accordance with paragraph 5.
11. Following the hearing, the Tribunal determined that further information was required from RMG in order for it to be able to make a final determination and Further Directions to this effect were issued on 18 August 2010 for compliance by [25] August 2010. In the event, information was received from RMG comprising pages 297 – 345 of its Bundle, to which responses were received from two of the Applicants by letters dated 28 August 2010 (Mr.J.Davies and Ms.M.Skidmore, No.6, Wellcroft Gardens) and 1 September 2010 (Ms.L.O'Callaghan, 47, White Clover Square). A further response was received from RMG by letter dated 13 September 2010. The Tribunal re-convened to make its final determination on 1 October 2010 at 5,New York Street, Piccadilly, Manchester M1 4JB. [It is understood that RMG has sought to submit further documentation to the Tribunal since its meeting on 1 October 2010, and whilst the parties were not informed of this date, the Tribunal has determined that it is reasonable not to admit this further information having regard to the date of its submission and the date for submission ordered under the Further Directions.]

Inspection

12. The Tribunal made an external inspection of the communal areas/common parts at the Development and of the internal communal areas in the block of flats in which No.6, Wellcroft Gardens is situated on 16 August 2010. The blocks of flats are 3 storey blocks of brick construction with tile roofs. There are 2 flats on each floor; No.6 is on the third floor of its block. Nos. 2,8,47 and 51, White Clover Square are all terraced houses of brick construction with tile roofs. The communal areas/common parts include grassed, gravel and planted areas, the Development roads, car parking areas and a play area. Generally the Development appeared well-maintained although the Tribunal was asked to inspect the walkway to the rear of Nos.47/51, White Clover Square which it was noted was obstructed by rubbish/debris.

Lease

13. By paragraph 1 of the Sixth Schedule of the Head House Lease and the Head Flat Lease, MDHA as Lessee agrees to pay "the Lessee's Proportion of Maintenance Expenses as shown in the heading to this Lease". The heading to the Lease confirms that the Lessee's Proportion under the Head House Lease is as follows:
- 0.00% of the costs of Building Maintenance Charge
 - 0.00% of the costs of Parking Spaces and Access Charge
 - 0.80% of the costs of Parking Spaces Lighting Charge
 - 0.32% of the costs of Estate Maintenance Charge.

The Lessee's Proportion of Maintenance Expenses under the Head Flat Lease is as follows:

- 1.79% of the costs of Building Maintenance Charge
- 2.6% of the costs of Parking Spaces and Access Charge
- 0.8% of the costs of Parking Spaces Lighting Charge
- 0.16% of the costs of Estate Maintenance Charge.

14. Clause 1.17 of each of the Head House and Flat Lease defines "the Maintenance Expenses" as "...the moneys actually expended or reserved for periodical expenditure by or on behalf of the Management Company at all times during the Term in carrying out the obligations specified in the Fifth Schedule".
15. Clause 1.15 defines "the Lessee's Proportion" as "the proportion of the Maintenance Expenses payable by the Lessee in accordance with the provisions of the Sixth Schedule".
16. Clause 1.6 of each of the Head House and Flat Lease defines "the Building Maintenance Charge" as "in...each...Accounting Year such sum as shall be reasonably certified by the Management Company as being a reasonable estimate for the expenditure likely to be incurred by the Management Company in

maintaining the structure including the roof and foundations of the Buildings and in accordance with the Fifth Schedule herein the Common Parts of the Buildings during such Accounting Year". "The Buildings" are defined in clause 1.5 as "the building or buildings shown uncoloured on Plan No.2 of which the Apartments form part". "The Apartments" are defined in clause 1.4 as "the self-contained apartments comprised within the Buildings..." "The Common Parts" is defined in clause 1.9 of the Head Flat Lease as "the parts of the Buildings intended for use in common by owners or occupiers of any two or more of the Apartments and comprising the porches entrance halls corridors staircases buildings and any other parts of the Buildings so used in common".

17. Clause 1.20 of the Head House Lease and clause 1.30 of the Head Flat Lease define the "Parking Spaces and Access Charge" as "in...each...Accounting Year such sum as shall be reasonably certified by the Management Company as being a reasonable estimate for the expenditure likely to be incurred by the Management Company in maintaining the Parking Spaces and access in accordance with the provisions of the Fifth Schedule herein during such Accounting Year".
18. Clause 1.21 of the Head House Lease and clause 1.23 of the Head Flat Lease define "the Parking Spaces Lighting Charge" as "in...each...Accounting Year such sum as shall be reasonably certified by the Management Company as being a reasonable estimate for the expenditure likely to be incurred by the Management Company in maintaining the Parking Spaces lighting in accordance with the provisions of the Fifth Schedule herein during such Accounting Year".
19. Clause 1.22 of the Head House Lease defines "the Parking Spaces" as "the parking spaces within the Development shown lettered with the suffix letter "p" and numbered on Plan No.2", whilst clause 1.24 of the Head Flat Lease defines "the Parking Spaces" as "the one parking spaces within the Development shown either lettered with the suffix letter "P" and numbered on Plan No.2 or shown marked "CP" on Plan No.2..."
20. Clause 1.9 of the Head House Lease and clause 1.11 of the Head Flat Lease defines "the Estate Maintenance Charge" as "in...each...Accounting Year such sum as shall be reasonably certified by the Management Company as being a reasonable estimate for the expenditure likely to be incurred by the Management Company in maintaining the Gardens and Grounds in accordance with the provisions of the Fifth Schedule herein...during such Accounting Year".
21. Clause 1.10 of the Head House Lease defines "the Gardens and Grounds" as "those parts of the Development which are laid out or intended to be laid out as general grounds as shown on Plan No.2 including the walls fences and footpaths within or bounding the same but...excluding the curtilages of the Houses and Access Areas." Clause 1.11 defines "the Houses" as "the houses on the Development" whilst clause 1.1 defines "the Access Areas" as "the areas shown on Plan No.2 within the Development giving vehicular and pedestrian access from the New Road to the

Houses or the Apartments the Parking Spaces and the Gardens and Grounds”. Clause 1.18 defines “the New Roads” as “the roads and footpaths constructed or being constructed as part of the Development and leading from Longbutt Lane to the Houses and Apartments (but excluding the Access Areas and the pathways within the Gardens and Grounds)”.

22. Clause 1.12 of the Head Flat Lease defines “the Gardens and Grounds” as in the clause 1.10 of the Head House Lease save for the exclusion of “the Access Areas the Bin Stores the Buildings and the Parking Spaces”. Clause 1.5 defines “the Bin Stores” as “any bin enclosures within the Development containing or built to contain refuse bins and marked as such on Plan No.2”.
23. Clause 1.2 of each of the Head House and Flat Lease defines “the Accounting Year” as “ the period of twelve months ending on 31 December in such year (or such other period or date as The Seasons Residents Association Limited may decide)”.
24. The Fifth Schedule of each of the Head House and Flat Lease itemizes the services which are to comprise the Maintenance Expenses. These differ as between the Head House Lease and the Head Flat Lease.
25. The Sixth Schedule of each of the Head House Lease and Flat Lease set out the obligations of the Lessee as to payment of the Lessee’s Proportion of the Maintenance Charges and the obligation upon the Management Company to prepare and serve on the Lessee a summary of the Maintenance Expenses incurred within 6 months of the end of the period to which they relate.
26. Paragraph 5 of the Sixth Schedule sets out the procedure for the variation by the Management Company of the Lessee’s Proportion of the Maintenance Expenses “where it is just and equitable to do so”.
27. Under clause 3.2(b) of the Shared Ownership Leases, the Leaseholder agrees “[T]o pay on demand the Leaseholder’s Proportion of the Estate Maintenance Charge (as defined in the Superior Lease) in accordance with the provisions of the Sixth Schedule of the Superior Lease”. Whilst the definition of the “Estate Maintenance Charge” in each of the Head House and Flat Lease as set out in paragraph 19 above provides for payment of the costs incurred by the Management Company of maintaining the Gardens and Grounds, read in conjunction with the definition of “the Leaseholder’s Proportion”, the Tribunal concluded that the intention was to include all costs and expenses incurred by the Management Company and charged to/payable by the Landlord under the terms of the Head House and Head Flat Lease and defined as the Building Maintenance Charge, the Parking Spaces and Access Charge and the Parking Spaces Lighting Charge (see paragraphs 15,16 and 17 above).

28. There is no evidence that the Lessee's Proportion of the Maintenance Expenses has been varied by the Management Company in accordance with paragraph 5 of the Sixth Schedule of the Head House and the Head Flat Lease. The liability of the Leaseholder under the Shared Ownership Leases is, in respect of a House, 0.32% of the Estate Maintenance Charge, and, in respect of an Apartment, 0.16% of the Estate Maintenance Charge.

The service charges

29. By the Application, the Applicants seek a determination of the liability to pay and reasonableness of the service charges for the Premises in respect of the years 2007, 2008 and 2009.

The Law

30. Section 18 of the Landlord and Tenant Act 1985 ("the 1985 Act") provides:

(1) in the following provisions of this Act "service charge" means "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, improvements 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.

(2) The relevant costs are the costs or estimated costs incurred or to be incurred by or on behalf of the landlord, or a superior landlord, in connection with the matters for which the service charge is payable.

(3) For this purpose –

- (a) "costs" includes overheads, and
- (b) costs are relevant costs in relation to a service charge whether they are incurred, or to be incurred, in the period for which the service charge is payable or in an earlier or later period.

31. Section 19 provides that –

(1) relevant costs shall be taken into account in determining the amount of a service charge payable for a period –

- (a) only to the extent that they are reasonably incurred, and
- (b) where they are incurred on the provision of services or the carrying out of works only if the services or works are of a reasonable standard; and the amount payable shall be limited accordingly.

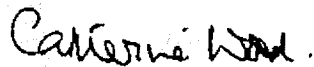
32. Section 27A provides that

- (1) an application may be made to a leasehold valuation tribunal for a determination whether a service charge is payable and, if it is, as to –
 - (a) the person by whom it is payable
 - (b) the person to whom it is payable
 - (c) the date at or by which it is payable, and
 - (d) the manner in which it is payable.
 - (2) Subsection (1) applies whether or not any payment has been made.
 - (3)
 - (4) No application under subsection (1)...may be made in respect of a matter which –
 - (a) has been agreed by the tenant.....
 - (5) But the tenant is not to be taken to have agreed or admitted any matter by reason only of having made any payment.
33. In *Veena SA v Cheong* [2003] 1 EGLR 175, Mr. Peter Clarke comprehensively reviewed the authorities at page 182 letters E to L inclusive. He concluded that the word “reasonableness” should be read in its general sense and given a broad common sense meaning [letter K].
34. The Service Charges (Summary of Rights and Obligations, and Transitional Provision) (England) Regulations 2007 (“the Service Charge Regulations”) and the Administration Charges (Summary of Rights and Obligations) (England) Regulations 2007 (“the Administration Charge Regulations”) provide that, in respect of a demand for payment of a service charge, and an administration charge, respectively, made on or after 1 October 2007, such demand should be accompanied by a summary of rights and obligations, in the form and containing the information as set out in the Service Charge Regulations and in the Administration Charge Regulations, as the case may be. In each case, the respective Regulations provide that until compliance is made with their requirements, a tenant may withhold payment of the service charge, or, as the case may be, administration charge.

The Tribunal’s Conclusions

35. The Tribunal must apply a three stage test to the application under section 27A:
- (1) Are the service charges recoverable under the terms of the Lease? This depends on common principles of construction and interpretation of the lease.
 - (2) Are the service charges reasonably incurred and/or services of a reasonable standard under section 19 of the 1985 Act?
 - (3) Are there other statutory limitations on recoverability, for example consultation requirements of the 1985 Act as amended?

36. The Tribunal determined that:
- (i) the Lessee of the Head House and Flat Lease is liable to pay the Lessee's Proportion of the Building Maintenance Charge, the Parking Spaces and Access Charge, the Parking Spaces Lighting Charge and the Estate Maintenance Charge as set out in the heading to the respective Lease, there being no evidence as to variation of that proportion;
 - (ii) the Service Charge Estimates for the years 2007, 2008 and 2009 are not in accordance with the terms of the Head Leases to the extent that, under the Head House Lease, the liability of the Lessee in respect of the Estate Maintenance Charge is $1/312^{\text{th}}$ (and not $1/214^{\text{th}}$), and, under the Head Flat Lease, the liability in respect of the Parking Spaces and Access Charge is $1/38^{\text{th}}$ (not $1/68^{\text{th}}$), and in respect of the Estate Maintenance Charge, is $1/625^{\text{th}}$ (not $1/214^{\text{th}}$);
 - (iii) in view of the determinations in paragraphs (i) and (ii), the Management Company and the Landlord to make all such adjustments to the Service Charge Estimates and invoices for the years 2007, 2008 and 2009 so as to ensure that payments charged and received are in accordance with the terms of the Head Leases and the Shared Ownership Leases including, without limitation, repaying and/or crediting the Lessee under the Head Leases and/or any Leaseholder under any of the Shared Ownership Leases for any amount incorrectly charged/paid;
 - (iv) the service charges as determined to be reasonable and/or reasonably incurred for the years 2007, 2008 and 2009 are as set out in detail in paragraph 4 of the Decision;
 - (v) the Applicants' application pursuant to section 20C of the Act is granted so that none of the costs of the Management Company and/or the Landlord incurred in respect of this application should be charged to the Applicants by way of service charge.



Catherine Wood
Chairman
Dated 21 December 2010

