10273

FIRST - TIER TRIBUNAL
PROPERTY CHAMBER
(RESIDENTIAL PROPERTY)

Case Reference	:	**MAN/00BN/LSC/2013/0088**
Property	:	**Granby House** **61/63 Granby Row** **Manchester** **M1 7AR**
Applicants	:	**Various leaseholders of the Property (see Annex 1)**
Representative	:	**Mr M de Roo**
Respondent	:	**The Guinness Partnership Limited**
Representative	:	**Trowers & Hamlins LLP**
Type of Application	:	**Sections 27A, 20C and 20ZA of the Landlord and Tenant Act 1985**
Tribunal Members	:	**Judge J Holbrook** **Mr I James MRICS** **Mrs B Mangles BA (Hons)**
Date and venue of Hearing	:	**19 March and 9 July 2014** **Manchester**
Date of Decision	:	**23 September 2014**

DECISION

DECISION

A **Annex 1 hereto details the Tribunal's determination of amounts payable by the Applicants to the Respondent for the service charge years from 1 April 2007 to 31 March 2013 (inclusive).**

B **The cost of external window painting incurred during the 2009-10 service charge year was not reasonably incurred. The Respondent must therefore re-credit the sum of £46,139.54 to the Building's service charge reserve fund.**

C **Compliance with the consultation requirements of section 20 of the Landlord and Tenant Act 1985 is dispensed with in relation to the works which have been carried out to refurbish the lobby of the Building.**

D **The costs incurred by the Respondent in connection with the application under section 27A of the Landlord and Tenant Act 1985 are not to be regarded as relevant costs (within the meaning of section 18(2) of that Act) to be taken into account in determining the amount of any service charge payable by any of the Applicants. However, this order does not extend to costs incurred by the Respondent in connection with its application under section 20ZA of the Act.**

REASONS

Preliminary and background

1. On 31 May 2013 an application was made to a leasehold valuation tribunal under section 27A of the Landlord and Tenant Act 1985 ("the 1985 Act") for a determination of liability to pay, and reasonableness of, service charges in relation to 33 of the residential apartments comprised in Granby House, 61/63 Granby Row, Manchester M1 7AR ("the Building"). The application was made by the various leaseholders of the apartments. During the course of the proceedings, the leaseholders of three additional apartments were joined as applicants. A list of the Applicants (and of the apartments owned by each of them) is included in the table at Annex 1 to this Decision.

2. As an ancillary matter, an application was also made for an order under section 20C of the 1985 Act for an order preventing the Respondent, The Guinness Partnership Limited (formerly Guinness Northern Counties Limited) ("Guinness"), from recovering costs incurred in connection with the proceedings as part of the service charge.

3. On 1 July 2013, the functions of leasehold valuation tribunals transferred to the First-tier Tribunal (Property Chamber) ("the

Tribunal") and so this matter now falls to be determined by the Tribunal.

4. As originally presented, the application sought to challenge the reasonableness of service charges going back as far as the conversion of the Building to residential use in the 1980s. However, following a preliminary hearing on 5 November 2013, the Tribunal determined that:

   4.1 Subject to 4.2 below, the Tribunal may determine the Applicants' liability to pay service charges for the 2007-08 service charge year, and for each subsequent year up to (and including) 2013-14.

   4.2 In respect of each Applicant, the Tribunal may not determine that Applicant's service charge liability for any service charge year which had wholly elapsed before the date on which the Applicant became the leaseholder of the apartment in question.

5. At the same time the Tribunal determined that the leasehold valuation tribunal decision dated 14 February 2013 relating to 11 Granby House (which concerned the service charge years ending in 2011, 2012 and 2013) remains binding as between Guinness and Ms R Turner. However, it does not bind the Tribunal in relation to any of the issues to be determined in the present proceedings.

6. Following the preliminary hearing, Directions were issued for the future conduct of the proceedings, in response to which written submissions, witness statements and documentary evidence were received from the parties. Following an inspection of the Building, a hearing was held on 19 March 2014 at the Tribunal's offices in Manchester. The Applicants were represented at the hearing by two of the Granby House leaseholders: Mr M de Roo and Ms R Turner. Guinness was represented by Ms L Walsh of Trowers & Hamlins, solicitors. A substantial hearing bundle (running to four volumes) was provided.

7. There was insufficient time for the hearing to be completed on 19 March and so it was adjourned (with further Directions being given). The hearing resumed on 9 July 2014, when Mr de Roo and Ms Turner again represented the Applicants. Guinness was represented on this occasion by Ms Y Dania of Trowers & Hamlins.

8. Both days of the hearing (and indeed the inspection on the first day) were also attended by a large number of the individual Applicants as well as by employees of Guinness (in particular, Mr P Mundy, a Home Ownership Officer who has overall responsibility for managing the Building).

9. In response to confirmation from Mr de Roo given during the interval between the first and second days of the hearing that the Applicants

intended to seek a determination that Guinness had failed to comply with the statutory consultation requirements in respect of certain qualifying works, Guinness made an application to the Tribunal under section 20ZA of the 1985 Act for those requirements to be dispensed with. The Applicants were named as respondents to that application, and copies of it were also served on the other leaseholders of apartments in the Building. It was agreed that the Tribunal would deal with the application for dispensation on the second day of the hearing.

Inspection and description of the Building

10. The Tribunal inspected the Building on the morning of 19 March 2014 in the presence of Mr de Roo and several of the Applicants, as well as Mr Mundy and Ms Walsh. The Tribunal's visit included a walk around the exterior of the Building as well as a tour of its internal common parts and basement areas. We did not make a detailed inspection of any of the apartments. However, we were invited to visit apartment 5 on the ground floor (for the purpose of inspecting an exposed ceiling in the bathroom), and a second apartment, on one of the upper floors, (for the purpose of inspecting the condition of the living-room windows).

11. The Building has Grade II listed status and was converted to residential use in the 1980s. It now comprises 62 apartments over ground and six upper floors. One of the ground floor apartments is occupied by a resident caretaker employed by Guinness. The other 61 apartments are subject to long leases.

12. Access to the apartments is by means of steps and a front door on Granby Row. The door is operated by an electronic entry system and opens onto further steps and an entrance hall. There is a post room adjacent to the entrance hall. The upper floors are served by two staircases at the rear of the building and two central lifts. The communal corridors on all residential floors are well lit and are carpeted and decorated to a fair standard. However, it was noted that the carpets are tired and stained in places. The edges of the carpets did not appear to have been properly cleaned recently and there were accumulations of dust to the tops of conduits and cills and to some skirting boards.

13. There are no gardens or other external common parts of any note. However, there is a basement within the Building, to which there is pedestrian and vehicular access via an electrically operated roller-shutter to the side of the Building. The basement (which can also be accessed from above) includes the bin store for use by the residents and a meter room. However, it is primarily given over to car parking. The individual parking spaces are all let by Guinness on monthly licence agreements. We understand that most (if not all) of the parking spaces are let to third party licensees, and not to the long leaseholders of apartments within the Building.

The Leases and the service charge machinery

14. Although the Tribunal was not provided with a copy of each Applicant's lease, a specimen lease was produced and we understand that each of the Applicants' apartment leases ("the Leases") are in materially the same form.

15. Each Lease was granted for a term of 125 years from 1 May 1985 at a peppercorn rent. The demise is of the internal, non-structural, parts only of the relevant apartment and includes (among other things):

> "The internal plastered coverings and plaster work of the walls bounding the Flat and the doors and door frames and window frames fitted in such walls (other than the external surfaces of such doors door frames and window frames) and the glass fitted in such window frames" (Paragraph (a) of the First Schedule).

16. By virtue of clause 4(4) of the Lease, the tenant covenants to pay "the Service Charge" in accordance with the provisions of the Fifth Schedule. In return, the landlord covenants (at clause 5(5)) to undertake various tasks in connection with the upkeep and management of the Building. These include:

- "To maintain and keep in good and substantial repair and condition:

  (i) the main structure of the Building ... with its main water tanks main drains gutters and rain water pipes (other than those included in this demise or in the demise of any other flat in the Building)

  (ii) all such gas and water mains and pipes drains waste water and sewage ducts and electric cables and wires as may by virtue of the terms of this Lease be enjoyed or used by the Tenant in common with the owners or tenants of the other flats in the Building

  (iii) the Common Parts

  (iv) the boundary walls and fences of the Building

  (v) the flat or flats ... occupied or used by any caretakers porters maintenance staff or other persons employed by the Lessors ...

  (vi) all other parts of the Building not included in the foregoing sub-paragraphs (i) to (v) and not included in this demise or the demise of any other flat or part of the Building";

- To paint the internal and external retained parts of the Building (including any caretaker's flat) as and when the landlord deems necessary;

- To insure "the Building"; and

- To keep the Common Parts clean and lighted, and to keep the windows in the common parts clean.

17. Interpreting these provisions correctly requires an understanding of what is meant by the expressions "the Building" and "the Common Parts". Regard must therefore be had to clause 1(9), and to the Particulars, which define the Building as Granby House 61/63 Granby Row Manchester; and to clause 1(10), which defines the Common Parts as:

> "all main entrances passages landings staircases (internal and external) gardens gates access yards roads footpaths passenger lifts (if any) means of refuse disposal (if any) and other areas included in [the Lessors' registered freehold title] provided by the Lessors for the common use of residents in the Building and their visitors and not subject to any lease or tenancy to which the Lessors are entitled to the reversion".

18. The provisions relating to quantification and payment of service charges are set out in the Fifth Schedule to the Lease. These provisions operate by reference to the following additional defined expressions:

> "Total Expenditure" which means the total expenditure incurred by the landlord in each year (from April to March) in carrying out its obligations under clause 5(5) of the Lease, including a reasonable management fee and administration costs.
>
> "the Service Charge" which means such percentage of Total Expenditure as is specified in paragraph 7 of the Particulars – we understand that an identical figure (it is actually expressed as a fraction rather than as a percentage) is stated in each Lease; namely, 1/61st.
>
> "the Interim Charge" which means a sum to be paid on account of annual service charge liability, to be determined at the discretion of the landlord or its agents as a fair and reasonable interim payment.

19. The arrangements for payment of the Service Charge are fairly conventional: the tenant is required to pay the Interim Charge by monthly advance payments. At the end of each service charge year, the landlord is required to serve a certificate detailing the amount of (1) the Total Expenditure; (2) the amount of the Interim Charge paid by the tenant in question; and (3) the amount of that tenant's Service Charge

for the year. If (3) exceeds (2), then the tenant must make a balancing payment. On the other hand, any excess of (2) over (3) is carried forward and credited against the tenant's service charge liability for the following year.

Law

20. Section 27A(1) of the 1985 Act provides:

> *An application may be made to the appropriate 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 amount which is payable,*
> *(d) the date at or by which it is payable, and*
> *(e) the manner in which it is payable.*

21. The Tribunal is "the appropriate tribunal" for these purposes, and it has jurisdiction to make a determination under section 27A of the 1985 Act whether or not any payment has been made.

22. The meaning of the expression "service charge" is set out in section 18(1) of the 1985 Act. It 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.*

23. In making any determination under section 27A, the Tribunal must have regard to section 19 of the 1985 Act, subsection (1) of which provides:

> *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.*

24. "Relevant costs" are defined for these purposes by section 18(2) of the 1985 Act as:

> *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.*

25. There is no presumption for or against the reasonableness of standard or of costs as regards service charges. If a tenant argues that the standard or the costs of the service are unreasonable, he will need to specify the item complained of and the general nature of his case. However, the tenant need only put forward sufficient evidence to show that the question of reasonableness is arguable. Then it is for the landlord to meet the tenant's case with evidence of its own. The Tribunal then decides on the basis of the evidence put before it.

26. Section 20(1) of the 1985 Act provides:

> *Where this section applies to any qualifying works ... the relevant contributions of tenants are limited ... unless the consultation requirements have been either–*
> *(a) complied with in relation to the works ... or*
> *(b) dispensed with in relation to the works ... by the appropriate tribunal.*

27. "Qualifying works" for this purpose are works on a building or any other premises (section 20ZA(2) of the Act), and section 20 applies to qualifying works if relevant costs incurred on carrying out the works exceed an amount which results in the relevant contribution of any tenant being more than £250.00 (section 20(3) of the 1985 Act and regulation 6 of the Service Charges (Consultation Requirements) (England) Regulations 2003 ("the Regulations")).

28. Section 20ZA(1) of the 1985 Act provides:

> *Where an application is made to the appropriate tribunal for a determination to dispense with all or any of the consultation requirements in relation to any qualifying works ... the tribunal may make the determination if satisfied that it is reasonable to dispense with the requirements.*

29. Reference should be made to the Regulations themselves for full details of the applicable consultation requirements. In outline, however, they require a landlord to:

- give written notice of its intention to carry out qualifying works, inviting leaseholders to make observations and to nominate contractors from whom an estimate for carrying out the works should be sought;

- obtain estimates for carrying out the works, and supply leaseholders with a statement setting out, as regards at least two of those estimates, the amount specified as the estimated cost of the proposed works, together with a summary of any initial observations made by leaseholders;

- make all the estimates available for inspection; invite leaseholders to make observations about them; and then to have regard to those observations;

- give written notice to the leaseholders within 21 days of entering into a contract for the works explaining why the contract was awarded to the preferred bidder if that is not the person who submitted the lowest estimate.

Consultation requirements

30. Prior to the hearing the Applicants had argued that Guinness had failed to comply with the consultation requirements in relation to various qualifying works, namely:

    - works connected with the Building's intercom system in 2008;

    - refurbishment of the lobby in 2008–09;

    - window painting in 2009–10; and

    - works in relation to the lift in 2011–12.

31. By the second day of the hearing, however, the issues had narrowed somewhat: no specific breaches of the consultation requirements were alleged in relation to the works concerning the intercom or lift.

32. In relation to window painting, the Applicants complained that Guinness had failed to consult with a small number of leaseholders, and had taken account of responses to consultation from individuals who were not leaseholders. In particular, witness statements were produced from five of the Applicants who said that they had not received notice of the consultation. Guinness disputed that there had been any breach of the requirements in this regard. It asserted (and we accept as a fact) that consultation notices were sent to each leaseholder at their last known address. In some cases the notice may have been sent to the apartment concerned, notwithstanding the fact that the leaseholder did not reside there, with the result that it was not seen by the leaseholder. However, this does not mean that Guinness failed to give the notice – if leaseholders sub-let their apartments, it is for them to make arrangements to ensure that they continue to receive notices sent to them at that address.

33. There was no evidence to substantiate the claim that Guinness had received, and had taken into account, responses to consultation from individuals (presumably sub-tenants) who had intercepted notices intended for the long leaseholders.

34. In relation to the refurbishment of the lobby, the Applicants contended that the consultation was inadequate because it did not embrace the totality of the works which were subsequently carried out. Guinness accepted that the specification for the lobby refurbishment altered following consultation and that the works included some painting of internal common parts which had not been consulted upon. To this extent it appears that the consultation requirements were not fully complied with.

35. To the extent that there has been any breach of the statutory consultation requirements, however, we can find no reason not to grant Guinness' application for dispensation. In deciding whether to dispense with the requirements the Tribunal must focus on whether the leaseholders were prejudiced by either paying for inappropriate works or by paying more than would be appropriate as a result of the landlord's failure to comply. If there is no such prejudice, dispensation should be granted.

36. In the present case the Applicants have failed to demonstrate any prejudice arising from a failure to comply with the consultation requirements which would justify a departure from the presumption in favour of granting dispensation. The contract to refurbish the lobby was awarded to the cheapest bidder following a competitive tendering exercise. The Applicants suggested that, had the original consultation notice included the entirety of the works eventually undertaken, it would have provoked greater interest (and presumably higher levels of response) among leaseholders. There is no evidence to substantiate this assertion. Nor is there anything to indicate that such heightened interest would have led to the works being carried out more cheaply.

37. Similarly, even had we accepted that there was non-compliance in relation to consultation about window painting, there is nothing which indicates that a different outcome would have resulted had the notices been seen by the small number of leaseholders who did not receive them: the contract for the work was awarded to the least expensive bidder, and it seems highly likely that this would have still been the outcome.

Reasonableness of service charges

38. Guinness provided copies of the audited service charge accounts for the Building for each service charge year from 2007-08 to 2012-13 (accounts for 2013-14 were not yet available). These provided a summary of service charge income and expenditure for each year, from which it is apparent that, if the total expenditure for each year were to be divided equally between the 61 long leaseholders, the following individual service charge liabilities would result:

	Total Expenditure	Contribution per apartment
2007-08	£96,904.34	£1,588.60
2008-09	£95,110.11	£1,559.18
2009-10	£89,594.79	£1,468.77
2010-11	£90,433.15	£1,482.51
2011-12	£90,676.78	£1,486.50
2012-13	£90,088.01	£1,476.85

39. The Applicants challenge the reasonableness of certain heads of expenditure which are comprised within the total service charge expenditure for each year and also the basis of apportionment of some of those costs. In accordance with the list of issues which was agreed with the parties (and set out in Directions dated 5 November 2013), the Tribunal has considered those challenges under the following broad headings:

Apportionment of costs

40. The Applicants argue that it is unreasonable that the residential leaseholders of the Building collectively bear responsibility for the entirety of the Building's service charge costs. They take this view because those costs include expenditure in connection with the upkeep of the basement car park – which is used by third parties who pay licence fees to Guinness for the privilege. The Applicants say that, not only do the residents not benefit from being able to use the car park, but the licence fees received by Guinness are not offset against service charge expenditure.

41. In response, Guinness argues that the Leases entitle it to recover its service charge costs in full. However, it points out that, in practice, a voluntary contribution is made to certain heads of expenditure by the landlord, and that this contribution effectively recognises the third-party use of the basement car park. In particular, Guinness pays 3% of the cost of electricity used in the communal areas of the Building (and also pays the cost of electricity sub-metered in the basement). It contributes 10% towards the cost of specialist service contracts relating to the lifts and to emergency lighting systems. In addition, Guinness contributes 5% of the caretaker's salary costs. It also bears the cost of insuring the basement. The basis upon which Guinness decided to make these contributions is not at all clear.

42. Guinness also notes that not all of the basement is given over to car parking – it includes a bin store and bicycle storage for the benefit of the Building's residents.

43. In determining the validity of the Applicants' complaints it is necessary to refer to the service charge provisions in the Leases, which were described earlier in this decision. It is obvious that the basement, including the car park, forms part of "the Building". Guinness is

therefore entitled to recover the cost of maintaining and repairing its structure by means of the service charge. It is also entitled to recover the costs of painting the basement and of insuring it.

44. It is also clear that some parts of the basement fall within the definition of "Common Parts". However, we find that the majority of the basement (that is, the area used as a car park) is not comprised within the Common Parts because it is not an area "provided by the Lessors for the common use of residents in the Building and their visitors".

45. The effect of this finding is that the costs of keeping the car park area clean and lit should not form part of the service charge. In terms of the costs of lighting, we accept the evidence that Guinness already bears the cost of electricity used within the basement. No doubt there are additional costs relating to the supply and fitting of light bulbs. However, it should be remembered that lights in the car park area will also facilitate the use of the other parts of the basement, and that the benefit to the residents of not having to contribute to basement electricity charges are in any event likely to offset the costs of replacing light bulbs in the car park.

46. Cleaning of the car park is undertaken by the resident caretaker, and the cost of so doing is therefore reflected in his salary costs. In our view, it is likely that approximately 10% of the time worked by the caretaker at the Building will be spent on car park cleaning, and it follows that this proportion of his salary costs should be excluded from the service charge. We return to the quantification of these costs later in this decision.

Costs attributable to the caretaker's flat

47. The Applicants object to the inclusion within the service charge of certain expenses incurred by Guinness in connection with the maintenance and upkeep of the caretaker's flat. However, it is clear that the maintenance of this flat falls within the landlord's obligations under clause 5(5) of the Leases (as described earlier in this decision). It follows that the costs incurred in maintaining the flat fall within the definition of Total Expenditure for the purposes of the Fifth Schedule to the Leases and, subject to their being reasonable in amount, may be recovered by means of the service charge. No challenge has been made to the reasonableness of the amounts concerned.

Refurbishment of the lobby

48. During the 2008-09 service charge year costs of approximately £21,500 were incurred in carrying out works to refurbish the Building's entrance lobby. We have already set out our conclusions in relation to compliance with the statutory consultation requirements in respect of those works. However, as a separate issue, the Applicants argue that the works were not carried out to a reasonable standard, and that the amounts expended in carrying them out were unreasonably high. They

complain that, as originally envisaged, the works were to comprise the refurbishment of the entrance hall, post room and stairs to the first floor. However, the works actually comprised painting, wallpapering and carpeting as well as erecting signage. The lobby area ceiling was not replaced, nor were the mail boxes replaced (a source of evident frustration for many residents). The Applicants say that the works took an unreasonable long time to complete and that there were long periods of apparent inactivity while they were in progress.

49. In response Guinness contend that, following competitive tendering and statutory consultation exercises, the contract to refurbish the lobby was awarded to Whittle Painting, the cheapest bidder. The total sum paid to Whittle included the cost of repainting corridors on some of the upper floors in addition to the lobby works, and Guinness argues that the costs incurred were reasonable. As far as delays in completing the works are concerned, Mr Mundy stated that these had been caused (at least in part) by a need to obtain consent to move a handrail on the Building's entrance steps from the council's building control department (because of the Building's listed status). Consultation with the residents about colour schemes had also contributed to the delay, as had changes of personnel within Guinness. In the end, however, the works had been completed to a satisfactory standard.

50. The Applicants have presented no evidence to show that the works carried out by Whittle Painting could have been procured more cheaply. On the other hand, Guinness has shown that the works (or at least the majority of the works) had been the subject of a competitive tendering exercise, and that Whittle Painting was the cheapest bidder. There is no evidence that delays in completing the works caused the costs incurred to increase and, in our judgment, those costs were within the range which would be reasonable for the works in question. We also find, having inspected the refurbished lobby, that the standard of the works was not unreasonable. Had the works included replacing the mail boxes and/or replacing the lobby area ceiling, for example, the costs incurred would no doubt have been greater.

Repairs to the Building's front door

51. The principal access to the Building is by means of two sets of doors (inner and outer) forming the front entrance. These doors are controlled by an electronic access system, and it is evident that they have been a source of some problems which have required a number of maintenance visits and repairs, which have obviously incurred costs which have been applied to the service charge. In particular, there have been recurring problems caused by the magnetic locking mechanism on the inner door failing to engage, and with damage to the locking mechanisms as a result of forced entry by third parties and by over-enthusiastic use by occupiers of the Building.

52. The Applicants contend that there has been a repetitive pattern of repairs which suggests that there has been an ongoing failure to repair

the doors properly. This suggestion is not accepted by Guinness: Mr Mundy commented that the doors have needed attention on a number of occasions, but that this has largely been a result of the way in which they have been used. He said that Guinness attaches importance to ensuring the Building's security and that costs have been reasonably incurred in maintaining the entrance doors as and when necessary. On balance, we accept this argument: the evidence produced by the Applicants is insufficient to justify an alternative conclusion.

Window cleaning

53. The Applicants complain that the standard of the window cleaning provided by Guinness is poor and that the associated costs are unreasonably high. They note that the number of times the windows are cleaned each year has gone down, but that the cost per clean has increased significantly.

54. In response Mr Mundy noted that the contract for window cleaning has been put out to tender every three years, and that Guinness has always awarded the contract to the cheapest bidder. He accepted that the number of annual cleans has reduced – this apparently coincided with a change in the method used from abseil to cherry picker. Mr Mundy also accepted that there had, on occasion, been issues with the standard of the window cleaning. However, he stated (and we accept as a fact) that, where sub-standard window cleaning has been reported to Guinness, the contractors have been required to return to deal with the problem.

55. Whilst noting the evident dissatisfaction of many of the Applicants with the standard of the window cleaning service, we find that the standard of service, although not perfect, was not unreasonable. The windows were cleaned periodically and efforts were made to address identified deficiencies.

56. It is apparent from the documents provided to the Tribunal that the Building's windows were cleaned four times in each of the 2007-08 and 2008-09 service charge years. They were cleaned three times in each of the 2009-10 and 2010-11 years, but only twice in each of the 2011-12 and 2012-13 years. An analysis of the associated costs shows that, in the service charge years from 2007-08 to 2011-12, the cost per clean ranged from £561.60 to £588.25. We consider these costs to be reasonable. However, for 2012-13, the cost of each clean increased dramatically, to £1,560.00. We were shown no justification for this increase and we therefore find that the resulting costs were unreasonable. In our judgment, a cost for each of the two cleans of no more than £600.00 would have been reasonable, bearing in mind the earlier cost levels. The total allowable charge for window cleaning for 2012-13 should therefore be reduced from £3,120.00 to £1,200.00.

Deduction A: Window Cleaning	
	2012-13
Amount claimed	£3,120.00
Amount permitted	£1,200.00
Amount deducted	£1,920.00

Window painting (external)

57. A major source of contention between the parties concerns work carried out during the 2009-10 service charge year to repaint the outside of the Building's window frames. External repairs and redecoration works were carried out during this period by contractors (Mitie) at a total cost of £50,072.54. Copies of two invoices relating to these works were produced to the Tribunal (at pages 234 and 236 of the hearing bundle). It is apparent from these invoices that the cost of the external window painting was £46,139.54. The remainder of the cost related to works to repair a flat roof. It is also apparent from the 2009-10 service charge accounts that all of these works were paid for out of the Building's service charge reserve fund.

58. The Applicants argue that the painting work was not carried out to a reasonable standard. They say that the window frames were not properly prepared prior to painting; that warped and twisted metal frames were not repaired; and that the painting contractors did not access the apartments to finish the job properly. They complain that, following completion of the work, some of the apartment windows would no longer open or close properly. They also query why Guinness appointed a timber specialist to do the work, given that the window frames are of steel construction.

59. The Applicants also argue that the cost of repainting the windows was not reasonably incurred given the poor condition of the window frames before the work commenced. In the Applicants' view, Guinness should have replaced the existing windows and window frames with new ones, rather than repainting the existing ones.

60. Guinness denies that there was any deficiency in the standard of the painting work carried out. Mr Mundy referred to the fact that clause 5(5) of the Leases obliges the landlord to paint the retained parts of the Building (which include the external surfaces of the window frames) as and when it deems necessary. In evidence, Mr Mundy stated that this contractual obligation was the reason why Guinness commissioned the repainting work. He acknowledged that the window frames were in poor condition before the work was carried out, and that many of them were distorted. He said that "the decorations had made no difference to the condition of the windows".

61. Guinness also denies that it has responsibility for replacing the apartment windows. This is because the Leases provide that only the

external surfaces of the window frames are retained by the landlord: the rest of the window frames, along with the window glass, are included within the demise of the apartment concerned, making it primarily the responsibility of individual leaseholders to replace the windows in their apartments when necessary.

62. Notwithstanding its position on this issue, in 2009 Guinness did obtain a quotation from a specialist window supplier (Crittall Windows) for replacement of the windows on the 5th floor of the Building. The price quoted to replace these windows was £40,618.30. Mr Mundy said that this exploratory action was taken as a goodwill gesture to gauge the likely cost of window replacement. Guinness did not pursue the matter further. Nor does it appear that the Crittall quotation was shared with the leaseholders prior to the current proceedings before the Tribunal.

63. During the Tribunal's inspection of the Building we noted that the windows comprise single-glazed metal frames set within a timber frame. We noted issues with the metal frames, many of which are twisted and buckled and do not open or close properly. Some panes of glass have slipped and are a potential hazard.

64. It appears that the age and condition of the Building's window frames is such that they need to be replaced. However, save for the windows in the Common Parts, the Leases are designed so that the individual leaseholders are responsible for replacing them: Guinness' responsibility for maintaining the apartment windows is limited to periodic external repainting. The cost of replacing all the windows in the Building would clearly have been considerably more than the cost of repainting and, had Guinness replaced the apartment windows, this cost would not have been recoverable under the service charge provisions of the Leases. For the future, it may well be that the most effective and efficient solution will be for Guinness to co-ordinate window replacement throughout the Building, but the terms upon which this is done will require the agreement of the leaseholders of the apartments concerned: it is not a solution which can be delivered by means of the Leases alone.

65. Nevertheless, it does not follow from the finding that Guinness is not responsible for replacing the apartment windows that the cost of repainting the external surfaces of the Building's window frames was reasonably incurred. That cost will have been reasonably incurred only if the works in question were reasonably necessary and if the cost itself was reasonable in amount.

66. In our judgment, Guinness has failed to show that the works were reasonably necessary. From our own inspection we concluded that the works do not appear to have been of any benefit to the Building because the condition of the metal window frames remains poor. From what we could see the redecoration work has not made any improvement to the condition of the frames. This view seemed to be confirmed during the hearing by Mr Mundy's admission that the window frames were in poor

condition before the repainting work was carried out, and that the works had made no difference to their condition.

67. Given that this is so, it is difficult to see how it could have been reasonable for Guinness to incur the substantial costs in question. The fact that the Leases require Guinness to paint the window frames when it deems it to be necessary does not justify the expenditure in the present circumstances: it must be implicit that the landlord will act reasonably in deeming it to be necessary to paint the windows, and it cannot be reasonable to do so if painting them will serve no useful purpose.

68. It follows that the £46,139.54 cost incurred by Guinness for external window painting is not recoverable from the Applicants as part of the service charge. Given that this substantial expenditure was funded from the Building's service charge reserve fund, it would not be in the interests of the proper management of the Building for it simply to be refunded to the leaseholders. However, this sum should be re-credited to the reserve fund.

Management fees and caretaker's salary

69. Guinness charges an annual fee for managing the Building. It also employs a caretaker who resides at the Building. In addition to costs relating to the upkeep of the caretaker's flat, Guinness also charges his salary costs and expenses to the service charge. It is entitled to do all of these things in accordance with the Leases. Nevertheless, the Applicants are evidently very dissatisfied with the way in which the Building is managed and looked after, both in terms of its general management by Guinness and also in terms of the day to day management service provided by the caretaker.

70. In relation to the overarching management service provided by Guinness, the Applicants complain of a general lack of responsiveness to the issues raised by residents. They say that the 10 day response times for enquiries offered by Guinness are inadequate, and that the responses received often fail to deal with the issue at hand. The Applicants complain that the condition of the communal corridors and basement areas has been allowed to deteriorate unacceptably and that Guinness' Home Ownership team no longer inspect the Building regularly to ensure it is kept in a satisfactory condition. They cite the long-running concerns surrounding the refurbishment of the lobby (in which respect mail box renewal has been a particular frustration) and replacement of windows as examples of Guinness' failure to engage properly with leaseholders' concerns.

71. In addition, a major source of dissatisfaction is the manner in which Guinness has dealt with an ongoing problem with water leaks in various parts of the Building. These leaks appear to emanate from the internal soil stacks which run through the Building. They have caused water ingress into a number of apartments and there has evidently

been some difficulty in resolving some of these problems. The Applicants accuse Guinness of having taken insufficient steps to resolve them.

72. As far as the caretaker is concerned, the Applicants complain that he does not do enough to justify the level of costs involved. They say that the general cleanliness of the Building's common parts (and of the external areas in its immediate vicinity) does not receive sufficient attention. They are also unhappy that the caretaker appears unable to deal with some routine maintenance issues – such as the replacement of light bulbs – but that contractors are engaged to perform these tasks at additional cost.

73. The management fees which have been charged by Guinness (excluding the caretaker's salary and expenses) are as follows:

	Total Management Fee	Fee per Apartment
2007-08	£13,310.27	£218.20
2008-09	£13,895.92	£227.80
2009-10	£14,660.16	£240.33
2010-11	£14,660.16	£240.33
2011-12	£14,571.84	£238.88
2012-13	£15,460.68	£253.45

74. Guinness contends that the amounts of these management fees are reasonable. Mr Mundy said that the Building consumes a disproportionate amount of management time in comparison with other properties owned by Guinness. He said that the residents benefit from the fact that Guinness is a social landlord: they have access to a 24/7 Helpline service which is available to all Guinness' tenants. However, in Mr Mundy's view, a minority of the Building's leaseholders have unrealistic expectations and place unreasonable demands on the service.

75. In respect of the specific complaints about leaks, Mr Mundy said that these are not emanating from the communal stacks. Guinness has attempted to identify the source of leaks on a number of occasions, but has not always been successful in doing so because of problems in gaining access to some apartments in order to investigate the matter fully.

76. Although Guinness asserts that the overall management fees are reasonable, it concedes that the basis on which these fees have been determined is not particularly transparent. When the Building was first converted to residential use in the 1980s a level of management fee was decided upon. However, the basis upon which the level of that fee was established is unknown. What is known is that Guinness conducts an annual review of all its managed schemes to check that they are yielding sufficient management fees in aggregate to cover their management costs. In 2000 this review showed there to be a shortfall,

and it was therefore decided to increase management fees annually in line with the Retail Prices Index, plus 0.5%. This formula has been applied to the management fee for the Building ever since.

77. In our view, this method of calculating management fees is unsuitable for a self-contained long leasehold development because it takes no account of the actual costs of providing management services to the development or of the value of the services received by the leaseholders. The critical question, however, is whether the application of the formula has produced a management fee for each year which is reasonable. The annual fee charged per apartment ranges from £218.20 to £253.45. Mr de Roo accepted that these fees would be within the range which would be reasonable for good quality residential developments in central Manchester which are managed to a high standard. We agree. However, we also agree with the Applicants' view that the Building has not been managed to a sufficiently high standard to justify management fees falling within this range. We have come to this conclusion for the following reasons:

77.1 The style and quality of the Building's common parts have not been kept up to a standard which would be in keeping with other good quality developments in central Manchester.

77.2 In particular, the standard of furnishing, decoration and cleanliness of the common parts is relatively poor. There are also areas of damp/mould in the common parts of the basement which have not been attended to.

77.3 The finishes of certain items in the common parts, such as doors, door handles and cable conduits are dated and/or unsightly and detract from the sense of a well-managed, good quality development.

77.4 Guinness' reaction time to management issues raised by leaseholders is too slow and communication with leaseholders generally appears not to be effective – as evidenced by the numerous complaints which the Applicants have made in this regard and, in particular, by the apparent failure to communicate effectively with leaseholders following receipt of the quotation for replacement windows.

77.5 Whist we acknowledge that efforts have been made to address the issue of leaks in the Building, we are not persuaded that enough has been done in this regard. The problem remains ongoing and is causing considerable inconvenience and distress to some leaseholders. Leaseholders are unable to address for themselves problems with leaks which emanate from other parts of the Building: only the landlord is in a position to do so, and leaseholders will justifiably expect their landlord to take all necessary steps to resolve the problem.

77.6 Although it is legitimate for Guinness to charge for the cost of employing a resident caretaker in addition to charging a management fee, the level of the management fee must reflect the fact that certain management functions are being performed (and charged for) separately by the caretaker.

78. In his evidence to the Tribunal, Mr Mundy commented that the Applicants expect more of the management service than Guinness expects to provide. This may well be true. However, the problem with this argument is that Guinness has also been charging for a higher standard of management services than, apparently, it expects to provide. The task for the Tribunal is to determine the amount which is a reasonable charge for the management service actually provided. In our judgment, that amount is £150.00 per apartment for each year (or £9,150.00 in total). We therefore conclude that the following deductions should be made from Total Expenditure:

Deduction B: Management Fees						
	2007-08	2008-09	2009-10	2010-11	2011-12	2012-13
Amount claimed	£13,310.27	£13,895.92	£14,660.16	£14,660.16	£14,571.84	£15,460.68
Amount permitted	£9,150.00	£9,150.00	£9,150.00	£9,150.00	£9,150.00	£9,150.00
Amount deducted	£4,160.27	£4,745.92	£5,510.16	£5,510.16	£5,421.84	£6,310.68

79. It is apparent from the service charge accounts that the additional costs of employing the caretaker (allowing for Guinness' contribution to those costs) are as follows:

	Salary Costs	Expenses
2007-08	£14,501.16	£435.24
2008-09	£15,357.96	£518.19
2009-10	£15,914.44	£762.28
2010-11	£16,063.67	£533.17
2011-12	£16,330.29	£730.01
2012-13	£17,024.40	£565.00

80. We share the Applicants concerns about whether the leaseholders of the Building have received value for money in this regard. The cleaning and maintenance tasks which the caretaker performs appear to be relatively limited: although he cleans the common parts and carries out minor maintenance tasks, the impression we gained from the evidence presented during the hearing was that the caretaker has actually been under-employed at the Building, and that he frequently acts simply as a conduit for reporting maintenance issues to Guinness, with those issues then being attended to by contractors. For example, there was much discussion on the subject of the changing of light bulbs, and the fact that the caretaker is frequently unable to do this himself (for example,

if the light-fitting in question is above a certain height). Whilst Guinness and its staff must obviously adhere to all relevant health and safety requirements, Guinness must also have regard to the question of whether the caretaker is providing value for money to the leaseholders. The argument that he has not been doing so appears to be borne out by the fact that, during the last 12 months or so, the caretaker's role has been changed so that he spends only half of his time working at the Building and the other half working at another property owned by Guinness. However, there has been no apparent reduction in the services the caretaker provides at the Building.

81. In the circumstances, therefore, we do not consider the amount of the salary costs claimed by Guinness to be reasonable. We consider that the salary costs to which the Applicants are required to contribute should be reduced, in the first instance, by 50% to reflect the likely value of the services which the caretaker provides at the Building. The reduced salary costs must then be reduced by a further 10% to give effect to the Tribunal's conclusions at paragraph 46 above.

Deduction C: Caretaker's Salary						
	2007-08	2008-09	2009-10	2010-11	2011-12	2012-13
Amount claimed	£14,501.16	£15,357.96	£15,914.44	£16,063.67	£16,330.29	£17,024.40
50% reduction	£7,250.58	£7,678.98	£7,957.22	£8,031.84	£8,165.15	£8,512.20
10% further reduction	£725.06	£767.90	£795.72	£803.18	£816.52	£851.22
Amount deducted	£7,975.64	£8,446.88	£8,752.94	£8,835.02	£8,981.67	£9,363.42

Miscellaneous Expenditure (Scott Schedule items)

82. In addition to the challenges to the service charge made under the above headings, the Applicants have also challenged various miscellaneous expenditure on an item by item basis, having reviewed and analysed a large volume of financial information disclosed to them by Guinness. They originally presented this challenge in the form of a "Scott" schedule running to some 55 pages. In response, Guinness provided an explanation for each item of challenge and, by the time of the second day of the hearing, the Scott schedule had shrunk in length to 24 pages, and the Applicants had grouped the majority of the remaining items under the following five broad headings:

83. *Caretaker's Phone*: The Applicants object in principle to the inclusion of costs associated with the caretaker's mobile phone as a separate item within the service charge. They take the view that such costs should be covered by the management fees paid to Guinness. In response, Guinness points to the fact that the recovery of costs associated with

the employment of a caretaker is contemplated by the Leases. It argues that it is necessary for the caretaker to be equipped with a mobile phone, and that the levels of cost incurred for the phone are reasonable. We agree.

84. *Lights*: The Applicants object to the fact that, on a number of occasions, contractors have been engaged to replace lights and/or light bulbs at not insignificant cost. They query why routine tasks of this kind were not dealt with by the caretaker, without incurring the cost of a contractor. In response, Guinness stated that the caretaker does replace light bulbs wherever possible. However, it is necessary to engage a contractor to do so in cases where the light fitting is above a certain height, or when the caretaker is off duty. Guinness also asserts that many of the items highlighted relate not to light bulbs, but to faulty light fittings. In the case of faulty light fittings, an appropriate contractor must be used because the caretaker is not qualified to deal with electrical faults. As a general proposition, we accept that this is correct and that the expenditure in question should therefore be allowed. However, during the hearing, Guinness was pressed to explain a series of invoices (provided at pages 248 – 253 of the bundle) for lighting-related services provided by City Response Limited. The description of the service provided was the same in each case: "Manual line plus condensed sor". However, no satisfactory explanation was offered of what the service comprised, or whether there had been duplication in invoicing. The invoices in question all related to the 2009-10 service charge year and totalled £1,336.37. In the circumstances we consider that this cost has not been shown to have been reasonably incurred.

Deduction D: City Response Invoices	
	2009-10
Amount deducted	£1,336.37

85. *Leaks*: The recurrent problems with leaks in the Building have already been referred to. The Applicants have highlighted a number of items of expense associated with efforts to address these problems and have queried whether it was appropriate to pass on the costs to leaseholders rather than making a claim on the buildings insurance. In each case Guinness has provided an explanation to the effect that the costs in question were not costs which could have been recovered by making an insurance claim because they related to investigatory work and/or maintenance of the Building. We accept this explanation.

86. *Caretaker jobs*: A challenge to a further group of items highlights once more the Applicants' dissatisfaction with the services provided by the caretaker: in particular, the fact that a number of tasks have been contracted out rather than being dealt with by the caretaker personally (presumably at lesser cost). In this regard, the tasks highlighted include carpet cleaning and the replacement of handles on fire doors. Guinness offered explanations as to why the particular works in question justified the use of specialist contractors. On the facts, we accept those

explanations and we also accept that the associated costs were reasonably incurred. The more general concern about whether the leaseholders have received value for money from the caretaker services provided by Guinness has, of course, been considered separately.

87. *Basement*: The Applicants challenge a number of items of expenditure relating to the maintenance of the basement. For the reasons already given, we are satisfied that costs associated with the maintenance of the basement are recoverable by means of the service charge. With one exception, we are satisfied that the costs highlighted under this heading in the Scott schedule were reasonably incurred. That exception relates to the cost of maintaining the roller shutter. Whilst acknowledging that the shutter is used on two days each week in order to take out the refuse bins, the vast majority of the use of the shutter must be attributable to the users of the car park. In our view it is unreasonable to expect the Building's residential leaseholders to meet the cost of maintaining it.

Deduction E: Basement Roller Shutter	
	2010-11
Amount deducted	£360.32

88. The Scott schedule also identified a number of additional miscellaneous items of expenditure which the Applicants either challenged or queried. It is unnecessary for us to comment on each of them individually. What can be said, however, is that (save as mentioned below) we note and accept the explanations offered by Guinness for the expenditure in question and we find that the costs involved were reasonably incurred.

89. The 2007-08 service charge includes the cost of purchasing a "bin shifter" machine to facilitate handling the large refuse bins in the basement. We observed such a machine to be present in the basement on the morning of the inspection. However, the Applicants challenge the claim for this expenditure on the basis that the machine is not generally available for use at the Building. A number of the Applicants asserted that the bins are usually moved manually and that the machine had been brought into the basement shortly before the Tribunal's inspection and had been taken away again shortly thereafter. It was said that the caretaker had confirmed to one or more of the Applicants that this was a deliberate act – although we did not hear from the caretaker himself on this point. The allegation was aired during the hearing, and the representatives of Guinness were unable to comment as to whether it was true or not. In the circumstances, therefore, we accept the Applicants' evidence that the Building does not generally benefit from having a bin shifter machine. It follows that the cost of purchasing one was not reasonably incurred.

Deduction F: Bin Shifter Machine	
	2007-08
Amount deducted	£1,660.62

90. The 2009-10 service charge includes expenditure of £756.00 in respect of legal advice provided to Guinness by Keoghs solicitors. The Applicants objected to the inclusion of this item in the service charge, and it was discussed during the hearing. Guinness had sought legal advice following a request by a disabled leaseholder to fit an automated door-opener to the front door of the Building. The door-opener was subsequently fitted at a cost of approximately £2,300 (and that cost is not disputed). Although we understand that legal action was threatened by the leaseholder in question, it is surprising that a social landlord of Guinness' size and experience should consider it necessary to seek legal advice on the relatively straightforward matter of whether an automated door-opener should be fitted. We are not persuaded that the expenditure in question was reasonably incurred.

Deduction G: Legal Advice	
	2009-10
Amount deducted	£756.00

Summary of deductions

91. The table in Annex 2 shows the effect of the Tribunal's decision on the amount of Total Expenditure for each of the service charge years from 2007-08 to 2012-13. Given that the Leases require each leaseholder to contribute 1/61st part of Total Expenditure for each year, it follows that the adjusted individual service charge contributions for those years are as follows:

	Total Expenditure (adjusted)	Contribution per apartment
2007-08	£83,107.81	£1,362.42
2008-09	£81,917.31	£1,342.91
2009-10	£73,239.32	£1,200.64
2010-11	£75,727.65	£1,241.44
2011-12	£76,273.27	£1,250.38
2012-13	£72,493.91	£1,188.42

2013 – 14 service charge year

92. By the time of the hearing, Guinness had not completed the accounts for the 2013-14 service charge year. Consequently, although the general complaints raised by the Applicants spanned all the years in dispute, including 2013-14, they had not subjected the final year's service charge expenditure to the same level of scrutiny as had been given to previous years. Nor, indeed, was Guinness in a position to state what it considered the Total Expenditure to be for that year. For this reason, we have restricted our determination of service charge liabilities to the earlier years. Nevertheless, in finalising the service charge for 2013-14, we would expect Guinness to take account of the general findings set out above, as these will have a bearing on the amount of costs which

should be attributed to the service charge for services such as window cleaning, caretaker and management fees. It remains open to any party to these proceedings to seek a definitive determination of service charge liability for 2013-14 at a later date, if necessary.

Costs

93. Section 20C of the 1985 Act permits the Tribunal to order that the costs incurred by Guinness in connection with these proceedings are not to be regarded as relevant costs to be taken into account in determining the amount of any service charge payable by any leaseholder of the Building. Given that the Applicants have had significant success in challenging the service charges claimed by Guinness, we consider it to be just and equitable to make such an order in respect of the costs incurred by Guinness in responding to the application under section 27A of the Act.

94. Nevertheless, Guinness has also incurred costs in making an application for dispensation with the statutory consultation requirements. Guinness has been successful in obtaining dispensation, and so the question arises as to whether it should be precluded from recovering its costs in this regard. In our judgment, it should not be so precluded. In coming to this view we have had regard, in particular, to the fact that, on the first day of the hearing, the Tribunal made it clear to the Applicants that a dispensation application would be bound to succeed unless the Applicants demonstrated prejudice arising from a failure to comply with the consultation requirements which would justify a departure from the presumption in favour of granting dispensation. The Applicants were thus invited to consider carefully whether, when the hearing resumed, they should continue to press those aspects of their case which depended upon alleged non-compliance with the consultation requirements. Despite this warning, the Applicants did continue to press these aspects of their case which, in turn, caused Guinness to apply for dispensation. When the hearing resumed, however, the Applicants made no serious attempt to demonstrate prejudice arising from non-compliance with the consultation requirements.

95. In addition to any general legal costs, both the Applicants and Guinness have paid Tribunal fees in these proceedings. Taking account of the factors mentioned in relation to our decision on the section 20C application, we have decided not to exercise our discretion to order either party to reimburse the other in respect of those fees.

ANNEX 1

List of Applicants and Determination of Service Charge Liabilities

Applicant's Name	Apartment Number	Date of Acquisition	Service Charge Liabilities Determined by the Tribunal					
			2007-08	2008-09	2009-10	2010-11	2011-12	2012-13
Lynne Deakin	4	August 2005	£1,362.42	£1,342.91	£1,200.64	£1,241.44	£1,250.38	£1,188.42
Lynne Deakin	5	February 2000	£1,362.42	£1,342.91	£1,200.64	£1,241.44	£1,250.38	£1,188.42
Rob Young	6	May 2004	£1,362.42	£1,342.91	£1,200.64	£1,241.44	£1,250.38	£1,188.42
Claire Kay	7	July 2009			£1,200.64	£1,241.44	£1,250.38	£1,188.42
Rachael Turner	11	January 2007	£1,362.42	£1,342.91	£1,200.64			
Tom Charrier	12	August 2007	£1,362.42	£1,342.91	£1,200.64	£1,241.44	£1,250.38	£1,188.42
Rob Moore	14	June 2007	£1,362.42	£1,342.91	£1,200.64	£1,241.44	£1,250.38	£1,188.42
Tariq Khan	15	June 2009			£1,200.64	£1,241.44	£1,250.38	£1,188.42
Pauline Kwiat	16	May 2012						£1,188.42
Mark Rodway	17	August 2000	£1,362.42	£1,342.91	£1,200.64	£1,241.44	£1,250.38	£1,188.42
Christina Brand	19	May 2001	£1,362.42	£1,342.91	£1,200.64	£1,241.44	£1,250.38	£1,188.42
Stuart Lyon	23	December 2003	£1,362.42	£1,342.91	£1,200.64	£1,241.44	£1,250.38	£1,188.42
Fidel Anaya	25	August 2010				£1,241.44	£1,250.38	£1,188.42
Mark Sanders	26	November 2006	£1,362.42	£1,342.91	£1,200.64	£1,241.44	£1,250.38	£1,188.42
David Robinson	31	September 2002	£1,362.42	£1,342.91	£1,200.64	£1,241.44	£1,250.38	£1,188.42
Barry Wall	33	November 2004	£1,362.42	£1,342.91	£1,200.64	£1,241.44	£1,250.38	£1,188.42
Anna Dinsdale	34	September 2008		£1,342.91	£1,200.64	£1,241.44	£1,250.38	£1,188.42
Claire Giles	35	April 2001	£1,362.42	£1,342.91	£1,200.64	£1,241.44	£1,250.38	£1,188.42
Adam Prince	37	September 2003	£1,362.42	£1,342.91	£1,200.64	£1,241.44	£1,250.38	£1,188.42
Roger Stow	38	August 2008		£1,342.91	£1,200.64	£1,241.44	£1,250.38	£1,188.42

Applicant's Name	Apartment Number	Date of Acquisition	Service Charge Liabilities Determined by the Tribunal					
			2007-08	2008-09	2009-10	2010-11	2011-12	2012-13
Robert Cotter	41	July 2000	£1,362.42	£1,342.91	£1,200.64	£1,241.44	£1,250.38	£1,188.42
Paul Bradley-Cong	42	September 2002	£1,362.42	£1,342.91	£1,200.64	£1,241.44	£1,250.38	£1,188.42
Chris Speck	43	July 2003	£1,362.42	£1,342.91	£1,200.64	£1,241.44	£1,250.38	£1,188.42
Matthew Brown	47	August 2007	£1,362.42	£1,342.91	£1,200.64	£1,241.44	£1,250.38	£1,188.42
Kevin Barry Parker	48	August 2009			£1,200.64	£1,241.44	£1,250.38	£1,188.42
Simona Giordano	54	July 2009			£1,200.64	£1,241.44	£1,250.38	£1,188.42
Jimi Estevez	55	February 2008	£1,362.42	£1,342.91	£1,200.64	£1,241.44	£1,250.38	£1,188.42
Chris Liauw	58	August 1990	£1,362.42	£1,342.91	£1,200.64	£1,241.44	£1,250.38	£1,188.42
Yasir Qureshi	59	August 2004	£1,362.42	£1,342.91	£1,200.64	£1,241.44	£1,250.38	£1,188.42
Karl Todd	61	January 1997	£1,362.42	£1,342.91	£1,200.64	£1,241.44	£1,250.38	£1,188.42
Anthony Worthington	62	July 2002	£1,362.42	£1,342.91	£1,200.64	£1,241.44	£1,250.38	£1,188.42
David Dowding	63	April 2004	£1,362.42	£1,342.91	£1,200.64	£1,241.44	£1,250.38	£1,188.42
Edward Foster	64	October 2010				£1,241.44	£1,250.38	£1,188.42
Maria Moreno	66	February 2011				£1,241.44	£1,250.38	£1,188.42
John Harris	67	August 1999	£1,362.42	£1,342.91	£1,200.64	£1,241.44	£1,250.38	£1,188.42
Qi Zing	68	May 2011					£1,250.38	£1,188.42

ANNEX 2

Summary of Adjustments to Total Expenditure

	2007 – 08	2008 – 09	2009 – 10	2010 – 11	2011 – 12	2012 – 13
Amount claimed by Guinness	£96,904.34	£95,110.11	£89,594.79	£90,433.15	£90,676.78	£90,088.01
Less:						
Deduction A: Window Cleaning	-	-	-	-	-	£1,920.00
Deduction B: Management Fees	£4,160.27	£4,745.92	£5,510.16	£5,510.16	£5,421.84	£6,310.68
Deduction C: Caretaker's Salary	£7,975.64	£8,446.88	£8,752.94	£8,835.02	£8,981.67	£9,363.42
Deduction D: City Response Invoices	-	-	£1,336.37	-	-	-
Deduction E: Basement Roller Shutter	-	-	-	£360.32	-	-
Deduction F: Bin Shifter Machine	£1,660.62	-	-	-	-	-
Deduction G: Legal Advice	-	-	£756.00	-	-	-
Amount allowed by Tribunal	**£83,107.81**	**£81,917.31**	**£73,239.32**	**£75,727.65**	**£76,273.27**	**£72,493.91**