



**FIRST-TIER TRIBUNAL
PROPERTY CHAMBER
(RESIDENTIAL PROPERTY)**

Case reference : **LON/00AY/LSC/2021/0293**

Property : **Flat 1A, Hambly Mansions, 412-416
Streatham High Road, London, SW16
6EU**

Applicant : **Madeline Zoe Dunn**

Representative : **Mrs Heather Jones and Mr Kolbe**

Respondent : **Softform Trading Limited**

Representative : **HML Group, Managing Agent**

Type of application : **Liability to pay and/or the
reasonableness of service charges**

Tribunal : **Tribunal Judge I Mohabir
Mr S Mason FRICS**

Date of Decision : 28 June 2022

DECISION

Introduction

1. Unless stated otherwise, the page references in this decision are to the volume/tab/pages in the Applicant’s hearing bundles.
2. The Applicant made three applications. These are:
 - (a) under section 27A of the Landlord and Tenant Act 1985 (as amended) (“the Act”) for a determination about the payability and reasonableness of service charges for the years 2015 to 2022 inclusive.

(b) under paragraph 5A of Schedule 11 Commonhold and Leasehold Reform Act 2002 for an order to reduce or extinguish the tenant's liability to pay an administration charge in respect of litigation costs.

(c) under section 20C for an order preventing the Respondent from including any costs incurred in these proceedings as part of a service charge.

3. Flat 1A, Hambly Mansions, 412-416 Streatham High Road, London, SW16 6EU ("the property") is a 2 bedroom flat in a purpose built block of flats with commercial premises on the ground floor.
4. The Applicant is the leaseholder owner of the property pursuant to a lease dated 19 May 1975 made between S & L Enterprises Limited and Cernel Richard Blackburn and Elaine Caroline Blackburn for a term of 99 years from 25 March 1975 ("the lease"). The Respondent is the current lessor. The managing agent appointed by the Respondent is the HML Group.
5. In short, the Applicant's case is that, firstly, her service charge contribution demanded for each of the relevant years has not been correctly calculated in accordance with the terms of the lease. Secondly, and in the alternative, she contends that various items of service charge expenditure for each year are not reasonable. This is particularised in the Scott Schedules attached to this decision.
6. By an order dated 30 March 2022, the Respondent was debarred from participating in these proceedings by failing to comply with the Tribunal's directions dated 21 October 2021. Therefore, the only evidence before the Tribunal at the hearing was that of the Applicant.

Relevant Law

7. This is set out in the Appendix annexed hereto.

Hearing

8. The hearing in this case took place on 23 May 2022. The Applicant was represented by her mother, Mrs Jones, who was assisted by Mr Kolbe, a retired Solicitor. The Respondent did not appear and was not represented.
9. The Tribunal heard submissions from Mrs Jones both in relation to the correct methodology under the terms of the lease to calculate the Applicant's service charge liability and the reasonableness of the disputed items of service charge expenditure. The Tribunal's determination on these issues is set out in the Scott Schedules annexed to this decision.

Decision

Contractual Rate of Lessee's Service Charge Contribution

10. For each of the relevant service charge years, the Respondent has demanded that the Applicant pay a service charge contribution calculated at a rate of 13.5% of the overall expenditure. The Applicant submits that the correct rate is 5.233%.
11. To decide this issue, it was important for the tribunal to consider the relevant lease terms.
12. Clause 1(iv) of the lease [A/1/3] obliges, *inter alia*, the lessee to pay:

*“the proportion as hereinafter defined as the sum **laid out** (our emphasis) by the lessor in discharging the obligations contained in clause 3(iv) hereof as the rateable value of the demised premises bears to the aggregate of the total rateable values of all the flats shops offices and other parts of the building...”*
13. Clause 3(iv) of the lease [A/1/7] sets out the repairing obligation of the lessor as being:

“to repair and keep in tenantable repair the exterior of the building and all additions thereto and the walls roofs foundations fences and drains thereof and to paint the exterior of the building and all additions thereto once in every third year of the said term and during the last year thereof”

14. The Tribunal's construction of clauses 1(iv) and 3(iv) is that the lessor is only contractually entitled to demand the service charge expenditure incurred in arrears for each service charge year. This is the correct meaning of the express reference to any sums ***laid out***. In addition, any such expenditure regarding the repair and maintenance of the building is limited to the expenditure expressly set in clause 3(iv) and nothing else. It follows that many items of service charge expenditure demanded (whether estimated or actual) for each year are not recoverable by the Respondent, as they are outside the scope of clause 3(iv).
15. Furthermore, the lessor's contractual liability for any service charge expenditure so incurred has to be calculated in accordance with the mechanism set out in clause 1(iv) by reference to the rateable values.
16. So far as the Tribunal was aware, the lease terms have not been varied. In the context of this case, this has important consequences for the Respondent about how the Applicant's service charge liability has been calculated and what service charge expenditure can in fact be recovered by it.
17. The Tribunal found that there was no basis for the Respondent demanding a service charge contribution of 13.5% from the Applicant. There was no evidence before the Tribunal as to how this figure had been calculated and whether it had been done in accordance with clause 1(iv).
18. In contrast, Mrs Jones had carried out detailed research and analysis into the rateable values adopted by the London Borough of Lambeth. This can be found in the statement folder at Tab 2/pages A13-21. This evidence was unchallenged and was checked by the Tribunal as being mathematically correct, which we accepted.
19. The Tribunal, found that the Applicant's contractual liability for each of the relevant service charge years is in fact 5.233% of the service expenditure permitted by clause 3(iv).

Liability for and Reasonableness of Service Charges

20. Following the Tribunal's construction of the relevant lease terms above, we found that various service charge items of expenditure for each year was either not calculated at the correct contractual rate of 5.233%, was not recoverable service charge expenditure within the meaning of clause 3(iv) of the lease and/or was not reasonable.
21. The Tribunal's findings are summarised in the Scott Schedules annexed to this decision.

22. The Respondent has to recalculate the Applicant's service charge liability based on the contractual rate of 5.233% for the years 2015 to 2022 and only in relation to those service charge costs that the Tribunal found are recoverable, as set out in the Scott Schedules. In the event that the Applicant has paid any of the service charge costs, then a repayment has to be made to her. In relation to any estimated and unpaid service charge costs, then the appropriate credits must then be applied to the Applicant's service charge account for the relevant years.

Costs

Paragraph 5A of Schedule 11 Commonhold and Leasehold Reform Act 2002

22. Given that the Respondent has not participated in these proceedings at all and has not claimed any litigation costs against the Applicant, it was not necessary for the Tribunal to make any order under this statutory provision.

Section 20C of the Act

23. For the same reasons set out at paragraph 22 above, it is difficult for the Tribunal to envisage what costs, if any, could be claimed by the Respondent through the service charge account. To the extent that it is required, the Tribunal does make an order under section 20C of the Act preventing the Respondent from claiming any such costs as service charges. The tribunal concluded that it was just and equitable to do so because the Applicant had succeeded almost entirely on the substantive issues.
24. Again, for the same reasons, the Tribunal ordered the Respondent to reimburse the Applicant the fees of £300 she has paid to have the application issued and heard. This sum must be paid to the Applicant within 14 days of this decision being issued to the parties by the Tribunal.

Name: Tribunal Judge I Mohabir **Date:** 28 June 2022

Rights of appeal

By rule 36(2) of the Tribunal Procedure (First-tier Tribunal) (Property Chamber) Rules 2013, the tribunal is required to notify the parties about any right of appeal they may have.

If a party wishes to appeal this decision to the Upper Tribunal (Lands Chamber), then a written application for permission must be made to the First-tier Tribunal at the regional office, which has been dealing with the case.

The application for permission to appeal must arrive at the regional office within 28 days after the tribunal sends written reasons for the decision to the person making the application.

If the application is not made within the 28-day time limit, such application must include a request for an extension of time and the reason for not complying with the 28-day time limit; the tribunal will then look at such reason(s) and decide whether to allow the application for permission to appeal to proceed, despite not being within the time limit.

The application for permission to appeal must identify the decision of the tribunal to which it relates (i.e. give the date, the property and the case number), state the grounds of appeal and state the result the party making the application is seeking.

If the tribunal refuses to grant permission to appeal, a further application for permission may be made to the Upper Tribunal (Lands Chamber).

Appendix of relevant legislation

Landlord and Tenant Act 1985

Section 18

- (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.

Section 19

- (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 provisions 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.

- (2) Where a service charge is payable before the relevant costs are incurred, no greater amount than is reasonable is so payable, and after the relevant costs have been incurred any necessary adjustment shall be made by repayment, reduction or subsequent charges or otherwise.

Section 27A

- (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 amount which is payable,
 - (d) the date at or by which it is payable, and
 - (e) the manner in which it is payable.
- (2) Subsection (1) applies whether or not any payment has been made.
- (3) An application may also be made to a leasehold valuation tribunal for a determination whether, if costs were incurred for services, repairs, maintenance, improvements, insurance or management of any specified description, a service charge would be payable for the costs and, if it would, as to -
- (a) the person by whom it would be payable,
 - (b) the person to whom it would be payable,
 - (c) the amount which would be payable,
 - (d) the date at or by which it would be payable, and
 - (e) the manner in which it would be payable.
- (4) No application under subsection (1) or (3) may be made in respect of a matter which -
- (a) has been agreed or admitted by the tenant,
 - (b) has been, or is to be, referred to arbitration pursuant to a post-dispute arbitration agreement to which the tenant is a party,
 - (c) has been the subject of determination by a court, or

- (d) has been the subject of determination by an arbitral tribunal pursuant to a post-dispute arbitration agreement.
- (5) But the tenant is not to be taken to have agreed or admitted any matter by reason only of having made any payment.

Paragraph 5A of Schedule 11 Commonhold and Leasehold Reform Act 2002

Limitation of administration charges: costs of proceedings

5A(1) A tenant of a dwelling in England may apply to the relevant court or tribunal for an order reducing or extinguishing the tenant's liability to pay a particular administration charge in respect of litigation costs.

(2) The relevant court or tribunal may make whatever order on the application it considers to be just and equitable.

(3) In this paragraph—

(a) “litigation costs” means costs incurred, or to be incurred, by the landlord in connection with proceedings of a kind mentioned in the table, and

(b) “the relevant court or tribunal” means the court or tribunal mentioned in the table in relation to those proceedings.

Section 20C Landlord & Tenant Act 1985

Limitation of service charges: costs of proceedings.

(1) A tenant may make an application for an order that all or any of the costs incurred, or to be incurred, by the landlord in connection with proceedings before a court, residential property tribunal or leasehold valuation tribunal...are not to be regarded as relevant costs to be taken into account in determining the amount of any service charge payable by the tenant or any other person or persons specified in the application.

(2) The application shall be made—

(a) ...

(aa) in the case of proceedings before a residential property tribunal, to a leasehold valuation tribunal;

(b) in the case of proceedings before a leasehold valuation tribunal, to the tribunal before which the proceedings are taking place or, if the application is made after the proceedings are concluded, to any leasehold valuation tribunal;

(c) ...

(d) ...

(3) The court or tribunal to which the application is made may make such order on the application as it considers just and equitable in the circumstances.

Leasehold Valuation Tribunals (Fees)(England) Regulations 2003

Regulation 9

(1) Subject to paragraph (2), in relation to any proceedings in respect of which a fee is payable under these Regulations a tribunal may require any party to the proceedings to reimburse any other party to the proceedings for the whole or part of any fees paid by him in respect of the proceedings.

(2) A tribunal shall not require a party to make such reimbursement if, at the time the tribunal is considering whether or not to do so, the tribunal is satisfied that the party is in receipt of any of the benefits, the allowance or a certificate mentioned in regulation 8(1).

2015 Schedule

ITEM	COST	TENANT	LANDLORD	TRIBUNAL
1). % Contribution for service charge: Volume A Tabs1&17 Volume C Tab 15	11.11%	Incorrect % as per terms of the lease .		The correct contractual rate for the Applicant's service charge contribution is 5.233%.
2) Cleaning Contract Volume C Tabs 24-28 Volume C Tab15	Cleaner paid approx £364 per annum. Service charge: £ 1870	Unreasonable charges for maximum 1 hr cleaning per week.		Not recoverable under clause 3(iv) of the lease.
3) General Maintenance Volume A Tab 1 Volume C Tabs15 & 31	£1376.00 Includes external work, which is paid for solely by the flats.	Excludes any contribution from ground floor premises. This exclusion is not specified in lease.		The correct contractual rate for the Applicant's service charge contribution is 5.233%.
4) Major Works Volume A Tabs 1 & 17 Volume C Tab 15	£10,000 listed for internal works at 11.11% for Flat 1A. No consultation prior to listing.	% Incorrect as per the lease.		1. The cost of internal works is not recoverable under clause 3(iv) of the lease. 2. Alternatively, in the event that the costs were

				<p>incurred by the Respondent and were claimed in arrears and include the cost of external works, the correct contractual rate for the Applicant's service charge contribution is 5.233%.</p> <p>3. No evidence from the Respondent that section 20 consultation was carried out so the Applicant's contribution is limited to £250 in the event that her contribution exceeds this figure.</p>
<p>5) Pest Control</p> <p>Volume C Tab 15 Volume C Tab 19</p>	<p>Allocated solely to flats as internal expense in Schedule A.</p>	<p>Later adjusted statements (Jan 2021) post 2017 have cost split retrospectively- internal/ external -so now shared with GF - yard.</p>		<p>Not recoverable under clause 3(iv) of the lease.</p>
<p>6) Building Insurance</p> <p>Volume B Tabs 1-6</p>	<p>Incorrectly proportioned</p>	<p>% incorrect as per terms of lease.</p>		<p>The correct contractual rate for the Applicant's service charge contribution is 5.233%.</p>

Volume A Tabs 1& 17				
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2015 Flat 1A Service Charge Demands

All this information is taken from the Anticipated Service Charge Statement 2015 /Insurance Documents 2015 , from which Annual Service Charges are calculated.

2016 Schedule

2016 Flat 1A Service Charge Demand Issues

ITEM	COST	TENANT	LANDLORD	TRIBUNAL
1) % Contribution for Service Charges Volume A Tabs 1&17 Volume C Tab 15	13.5% for Schedule A/B 8.99% for Schedule C for Flat 1A. (Schedules explained in Volume B indexed as Tab 28)	Incorrect % as per lease		The correct contractual rate for the Applicant's service charge contribution is 5.233%.
2) Cleaning Contract Volume C Tabs 24-28 Volume C Tab 15	Cleaner paid Approx £7 per hour= £364 per annum Leaseholders charged £1900 per annum.	Unreasonable charges for 1 hour weekly clean.		Not recoverable under clause 3(iv) of the lease.
3) Asbestos Demand Volume C Tabs 15&22	£1200. Negative result in 2014. Asbestos not found in Communal Hallway.	No evidence of any asbestos requiring treatment.		These are estimated costs and relate to the communal hallway, so are not recoverable under clauses 1(iv) and 3(iv) of the lease.
4) Major Works (anticipated costs)	Internal costs increased to £40,000 from £10,000 External costs of £85,000 introduced. No proper maintenance undertaken by freeholder	Different % contribution for internal/ external work not specified in lease.		1. These are estimated costs and relate to internal and external works, so are not recoverable under clauses

<p>Volume C Tab 15 Volume A Tabs 1& 17</p>	<p>since lease acquired 2008 see photos (Volume B Tab 27)</p>			<p>1(iv) and 3(iv) of the lease in any event. 2. In the event that the costs of the external works are claimed in arrears, the correct contractual rate for the Applicant's service charge contribution is 5.233%. 3. The Tribunal made no finding about the allegation of historic neglect because no expert evidence was adduced by the Applicant.</p>
<p>5) General Repairs and Maintenance. Volume C Tabs15& 16 Volume A Tab 1</p>	<p>£2,000.00. Electrical work/ land registry document/ ceiling repair included in Schedule A paid solely by flat owners. GF premises made no contribution to expenses.</p>	<p>Exclusion of GF premises to internal work is not specified in the lease.</p>		<p>1. These are estimated costs and, so are not recoverable under clause 1(iv) of the lease. 2. The Tribunal made no finding about whether these were internal or external works. 3. Alternatively, in the event that the costs were incurred by the Respondent and are claimed in arrears, the</p>

				correct contractual rate for the Applicant's service charge contribution is 5.233%.
6) Pest Control Volume C Tabs 15&16 Volume C Tab 19	Allocated solely to flats	Later updated statement for year 2017 (first published jan 2021) will show pest control later shared with Potter Perrin yard.		Not recoverable under clause 3(iv) of the lease.
7) Building Insurance Volume B Tabs1-6 plus notes in folder Volume A Tab 1 &17	Incorrectly proportioned.	% incorrect as per the terms of the lease.		The correct contractual rate for the Applicant's service charge contribution is 5.233%.

All the above items have been taken from the Anticipated Service Charge Statement/ Insurance Documents (2016) used to calculate the required Annual Service Charge.

2017 Schedule

2017 Flat 1A Service Charge Demand Issues

	COST	TENANT	LANDLORD	TRIBUNAL
1) % Contribution for Service Charges Volume A Tabs 1&17 Volume C Tab. 15	13.5% for Schedule A/B 8.99% for Schedule C. Schedules explained in Volume B Tab 28.	Incorrect % as per lease		The correct contractual rate for the Applicant's service charge contribution is 5.233%.
2) Cleaning Contract Volume C Tabs 24-28 Volume C Tab 15	Cleaner paid approx. £364 per annum. Leaseholders charged £1900 per annum.	Unreasonable charge		Not recoverable under clause 3(iv) of the lease.
3) General Maintenance: There has been no itemised breakdown of repairs provided to explain the final figure for General Maintenance as per previous years. Volume C Tab 15 Volume B Tab 13 Volume A Tabs 1&17	£2,000.00 Statement (Jan 2021) retrospectively subdivides these same expenses into internal/external listings with different % contributions for each section. Suggests GF premises have made a contribution. Shown as solely paid for by leaseholders.	Therefore suggests previous overpayment by leaseholders. % contribution anyway doesn't conform with lease.		1. These are estimated costs and, so are not recoverable under clause 1(iv) of the lease. 2. The Tribunal made no finding about whether these were internal or external works. 3. Alternatively, in the event that the cost for external work was incurred by the Respondent and is

				claimed in arrears, the correct contractual rate for the Applicant's service charge contribution is 5.233%.
4) Major Works Volume A Tabs 1&17 Volume C Tab 15	£40,000 internal 13.5% £85,000 external 8.99%	This % split for Flat 1A is incorrect as per the lease. Large escalation in costs due to long term neglect of the building by the freeholder.		1. These are estimated costs on account for internal and external works and are not recoverable under clause 1(iv) of the lease. 2. Alternatively, in the event that the cost for external work was incurred by the Respondent and is claimed in arrears, the correct contractual rate for the Applicant's service charge contribution is 5.233%. 3. The Tribunal made no finding of historic neglect by the Respondent, as no expert evidence was adduced by the Applicant.

<p>5) Pest control</p> <p>Volume C Tab 15 Volume B Tab 13 Volume A Tabs 1& 17</p>	<p>£900.00 Initially 100% responsibility of flats on original 2017 Anticipated Service Charge doc. Then Jan 2021 doc for 2017 retrospectively realigns costs into external / internal which reduces the flats liability and now retrospectively suggests GF Premises made a contribution.</p>	<p>Suggests overpayment by flats: % incorrect as per lease anyway.</p>		<p>Not recoverable under clause 3(iv) of the lease.</p>
<p>6) Building Insurance</p> <p>Volume B Tab 1 Volume B Tab 13 Volume A Tabs 1&17</p>	<p>% Incorrectly allocated. Confusing paperwork with figures that don't match. Towergate Insurance Documents 2016-2017 = £3780.84 2017-2018 = £4223.70</p>	<p>2017 Soft form Ltd- insurance =£6090.27 Retrospective 2017 doc published jan 2021 = £1959 + £639 (insurance assess)</p>		<p>The correct contractual rate for the Applicant's service charge contribution is 5.233%.</p>
<p>7) Directors and Officers insurance</p> <p>Volume B Tab25</p>	<p>£336.00</p>	<p>This does not benefit leaseholders or have relevance for them.</p>		<p>Not recoverable under clause 3(iv) of the lease.</p>

8)Asbestos VolumeC Tabs 15&22	£1200	Another repeat charge after negative result in 2014.		These are estimated costs and relate to the communal hallway, so are not recoverable under clauses 1(iv) and 3(iv) of the lease.
9) Sundries 2017 Volume C Tab 16	£30,547.40 on Softform Service charge document	Unexplained		1. Not recoverable under clause 3(iv) of the lease. 2. Alternatively, no evidence from the Respondent that these costs were incurred or reasonably incurred.
10) Management fee Volume B Tab 13 Volume C. Tab 15	Divided retrospectively on Jan 2021 document as follows : Internal= £ 945 External = £ 945	Vol C doc for same year shows paid 100% by leaseholders in service charges for 2017. With no contribution from GF premises.		Not recoverable under clause 3(iv) of the lease.

All this information is taken from Anticipated Service Charge documents and Insurance documents (2017) from which annual service charges are calculated , plus additional relevant sheets.

2018 Schedule

2018 Flat 1A Service Charge Demand Issues

ITEM	COST	TENANT	LANDLORD	TRIBUNAL
1) % Contribution for Service charge Volume A Tabs 1&17 VolumeC Tab 15	13.5% for Schedule A/B 8.99% for Schedule C explained in Volume B Tab 28	Incorrect % as per the lease		The correct contractual rate for the Applicant's service charge contribution is 5.233%.
2) Cleaning Contract Volume C Tab 15 Volume C Tabs 24-28	Cleaner paid approx £364 per annum. Leaseholders charged £2,184 per annum	Unreasonable charge. Clean takes less than 1 hour.		Not recoverable under clause 3(iv) of the lease.
3) Major Works Volume A Tabs 1& 17 Volume C Tab 15	£40,000 internal (13.5%) £85,000 external (8.99%) .	Different % contributions for internal and external work not specified in the lease. Long term neglect of maintenance of building means costs have escalated. See photos		1. These are estimated costs on account for internal and external works and are not recoverable under clause 1(iv) of the lease. 2. Alternatively, in the event that the cost for external work was incurred by the Respondent and is

Volume B.Tab 27(photos)				claimed in arrears, the correct contractual rate for the Applicant's service charge contribution is 5.233%. 3. The Tribunal made no finding of historic neglect by the Respondent, as no expert evidence was adduced by the Applicant.
4) Electricity: Communal hall lighting only. There are no sockets Volume C Tab 15 Volume C Tab16 Volume B Tab13	£250.00 . Fluctuating costs. HML figure of £85.33 Statement of Expenditure 2018. Later Jan 2021 documents retrospectively reduces this to £127 (actual figure for 2018) then jumps to £254(actual figure) for 2019.ie doubles in one year for 5 lights on short automatic time switches.	Of concern is that the internal hall light behind locked exterior door for flats 4/4A is linked to the exterior communal hall lighting (photo 48. Vol B Tab 27)		Not recoverable under clause 3(iv) of the lease.
5) Specialist building works Volume C Tab 16	£1422	Despite requests this has never been explained. Discovered to be for dry rot in recently supplied invoices. (10th Nov 2021)		These costs were agreed by the Applicant

6) General Repairs Volume C Tab 16 Volume B Tab 13	£4,144.00	No further breakdown until retrospective statement of account issued In Jan 2021 just divides into internal/ external costs. Not specifically itemised. In 2018 leaseholders were billed 100% for these items.		The correct figure for these works is £3,935 as they appear in the audited accounts and are recoverable in arrears under clause 3(4) of the lease. However, the Applicant's contribution for the works is to be calculated at 5.233%.
7) Building Insurance Volume B.Tabs 1-6 + other docs Volume A Tabs. 1&17	% Incorrectly proportioned	% Not as per terms of the lease		The correct contractual rate for the Applicant's service charge contribution is 5.233%.
8) Cleaning Windows Volume C/Tab16	£168.00	First appearance for only 4 small windows already included on Bloc Clean cleaning contract.Perhaps for shop on ground floor. No invoice found.		Not recoverable under clause 3(iv) of the lease.
9) Management fee Volume B Tab 13 Volume C Tab 15	Fixed management fee: £1,937.00 Other management fee: £ 46.00.	Now transferred for 1 st time into External expenses		Not recoverable under clause 3(iv) of the lease.

		Previously allocated to leaseholders only. See HML documents for 2018		
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All this information is taken from the Anticipated Service Charge Statement, the Insurance Document and other relevant documents for 2018 from which Annual Service Charges are calculated.

2019 Schedule

2019 Flat 1A Service Charge Demand Issues

ITEM	COST	TENANT	LANDLORD	TRIBUNAL
1) %Contribution for Service Charge Volume A Tab 1&17 Volume B Tab 13	13.5% Internal 8.99% External	No documentation for this year was received until documents were released in January 2021. Incorrect % as per lease		The correct contractual rate for the Applicant's service charge contribution is 5.233%.
2) Cleaning Contract Volume B Tab 13 Volume C Tab 26&27	Cleaner paid approx £270 per annum (new firm) Annual service charge for leaseholders £2200	Unreasonable charge. Now fortnightly clean lasting less than 1 hour		Not recoverable under clause 3(iv) of the lease.
3) Major Works Volume B Tab 13 Volume A Tab 1&17	£40,000 Internal repairs £85,000 External repairs Are contributions held in a reserve fund?	Incorrect % as per the lease See previous comments		1. These include estimated costs on account for internal and external works and are not recoverable under clause 1(iv) of the lease. 2. Alternatively, in the event that the cost for external work was incurred by the Respondent and is claimed in arrears, the correct contractual rate for the Applicant's service

				charge contribution is 5.233%. 3. The Tribunal made no finding of historic neglect by the Respondent, as no expert evidence was adduced by the Applicant. 4. The Tribunal made no finding as to whether these funds are held in a reserve account because no evidence was presented to enable it to do so.
4) Building Insurance Volume B Tab 13 Volume B Tab 1 Volume A Tab 1&17	Large increase to £6000 (anticipated service charges list) Actual £ 5,296 + £373 insurance...described as other	Inconsistent with Towergate document of £3,920.00. % allocation incorrect as per lease.		The correct contractual rate for the Applicant's service charge contribution is 5.233%.
5) Electricity Volume B Tab 13	£254 (actual) for 2019 £127 (actual) for 2018	Unexplained doubling of costs for same set of 5 lights controlled by short timed switch sequence.		Not recoverable under clause 3(iv) of the lease.

<p>6) Management fee increase</p> <p>Volume B Tab 13</p>	<p>Now solely in external charges: £2,600.00 fixed fee £101.00 other management fee = £ 2, 701.00</p>	<p>Implies leaseholders have been over charged in previous years re %. No other paperwork for year than Statement of Account, issued in Jan 2021. Large increase on 2017 charge of £1,937.00.</p>		<p>Not recoverable under clause 3(iv) of the lease.</p>
<p>7) Accountancy fees</p> <p>Volume B Tab 13</p>	<p>£510 31% increase over 2017 estimated figure of £360</p>	<p>Due possibly to all the extra paperwork that is being generated by the revisiting of accounts from 2017 to 2020.</p>		<p>Not recoverable under clause 3(iv) of the lease.</p>

Flat 1A received no Anticipated Service Charge Document/ Insurance Document for this year (2019). The figures are taken from the retrospective statement of accounts, published in Jan 2021.

2020 Schedule

2020 Flat 1A Service Charge Demand Issues

ITEM	COST	TENANT	LANDLORD	TRIBUNAL
1) % Contribution to Service Charges Volume A Tab 1&17	13.5% for Internal 8.98% for External	Incorrect as per lease		The correct contractual rate for the Applicant's service charge contribution is 5.233%.
2) Cleaning Contract Volume B Tab13 Volume C Tab 26-28	Estimated = £1,350.00 Actual = £ 1,970.00	Unreasonable charges See comments for 2019 No other paperwork than Statement of Account issued 04/2021		Not recoverable under clause 3(iv) of the lease.
3) General Maintenance Volume B Tab 13	Actual (internal £ 54326) Actual (external £1,955)	No breakdown of figure supplied as happened before 2018. Requires individual research of HML documents. Lack of any explanation of balancing figures for refunds.		1. The internal costs are not recoverable under clause 3(iv) of the lease. 2. The external costs were agreed by the Applicant.
4) Management fees. Volume B Tab 13	£2796.00	Described as fixed.		Not recoverable under clause 3(iv) of the lease.
5) Building Insurance	External - Actual: £5,247.00 plus £298.00 other	No way of checking accuracy of individual figures as original		1. The correct contractual rate for the Applicant's

<p>Volume B Tab 13</p>		<p>insurance documents are no longer automatically supplied nor individual contribution no longer automatically given.</p>		<p>service charge contribution is 5.233%. 2. The sum of £5,247 was agreed by the Applicant. 3. The sum of £298 is not recoverable under clause 3(iv) of the lease as it appears to relate to director's and officer's insurance and not the buildings insurance.</p>
<p>6) Major Works Volume C Tab 48 Volume A Tab1 &17</p>	<p>£ 61,974.00 internal £85,000 external-now removed from listing</p>	<p>New tender included on statement of account but this figure has not been disclosed to leaseholders. I only managed to access it in June 2021. The leaseholders % contribution is not as per lease. Long-term neglect has increased costs. (see photos Volume B Tab 27)</p>		<p>1. These include estimated costs on account for internal works and are not recoverable under clause 1(iv) of the lease. 2. Alternatively, in the event that the cost for external work was incurred by the Respondent and is claimed in arrears, the correct contractual rate for the Applicant's service charge contribution is 5.233%.</p>

				3. The Tribunal made no finding of historic neglect by the Respondent, as no expert evidence was adduced by the Applicant.
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Flat 1A did not receive an Anticipated Service Charge Document for 2020. The statement of Account for 2020, published on April 2021 has been used.

2021 Schedule

2021 Flat 1A Service Charge Demand Issues

ITEM	COST	TENANT	LANDLORD	TRIBUNAL
1) % Contribution for Service Charges Volume A Tab 1& 17	13.5% for Schedule A/B 8.99% for Schedule C (schedules explained in Vol B Tab 28)	Incorrect % as per lease.		The correct contractual rate for the Applicant's service charge contribution is 5.233%.
2) Cleaning Contract Volume C/Tab 26-28	Cleaner paid approx £270.00 per annum Annual service charge for leaseholders £2200	Unreasonable charge See previous comments		Not recoverable under clause 3(iv) of the lease.
3) Building Insurance Volume C / Tab15 Volume B/Tabs 1-6 Volume 1&17	£6000.00 external expenses apportionment	% Incorrectly allocated as per lease		The correct contractual rate for the Applicant's service charge contribution is 5.233%.
4) Major Works VolumeA Tabs 1 &17 Volume C/ Tabs 36&48&63	Removed from schedule of anticipated charges for first time since 2014	However, £8, 367.96 included for Flat 1A by HML Accounts Dept towards new Internal Repairs Figure of £61.984.86. No consultation or Section 20 from HML. See threat to involve debt collectors for non-payment for Flat 1A.		1. These include estimated costs on account for internal works only and are not recoverable under clause 1(iv) of the lease. 2. The Tribunal found that the Respondent's managing agent had certainly commenced section 20 consultation in

		% demanded incorrect as per lease.		relation to the proposed works. However, as stated at 1 above, the cost of internal repairs is not recoverable under the terms of the lease.
5) General Repairs. Volume C Tab15	£3,000.00	No breakdown given as yet of individual items included in this figure.		These include estimated costs on account for general repairs and are not recoverable under clause 1(iv) of the lease. They are only recoverable in arrears.
6) General Reserve Fund Volume C Tab 15 Volume C Tab 36	New inclusion of £5,000 as a reserve fund contribution on external service charge list.	Unilateral inclusion of this figure by HML with no discussion with leaseholders. Accounts dept has also included newly imposed bi- annual charge of £224 towards a Reserve Fund.		Not recoverable under clause 3(iv) of the lease.
7) Electricity VolumeC Tab 15	£275	See comments in 2019		Not recoverable under clause 3(iv) of the lease.

8) Management fee Volume C Tab 15	£2,800	Illogical subdivision for the same building. Leaves leaseholders vulnerable to excessive charges.		Not recoverable under clause 3(iv) of the lease.
9) Out of hours cover VolumeC Tab 15	£110.00	As yet unexplained		Not recoverable under clause 3(iv) of the lease.

All this information has been taken from the Annual Apportionment Document for 2021.No Insurance documentation has been provided.

2022 Schedule

2022 Flat 1A Service Charge Demand Issues

ITEM	COST	TENANT	LANDLORD	TRIBUNAL
1) % Contribution for Service Charges, to include Insurance and Major Works Volume A Tab1&17	To be recalculated.	The terms of the lease need to be implemented.		The correct contractual rate for the Applicant's service charge contribution is 5.233%.
2) Cleaning Contract Volume C Tab 28	To be reassigned	Fantastic Services have offered more favourable rates of £32 for 2 hours per fortnight, with 1 hour transferable to a flat for £16.		Not recoverable under clause 3(iv) of the lease
3) Electricity Refer to Volume C pages 26/27 in principle statement which then refers to invoices in Volume D	To be reassigned	Octopus Energy will accept a communal hall contract as a business contract and offer a much lower daily standing charge of 32.44p.		Not recoverable under clause 3(iv) of the lease