**SOUTHERN RENT ASSESSMENT PANEL**
**& LEASEHOLD VALUATION TRIBUNAL**

**LANDLORD AND TENANT ACT 1985, SECTION 27A**

**DECISION OF THE LEASEHOLD VALUATION TRIBUNAL**

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| **Case No:** | **CHI/29/UN/LSC/2003/01** |
| **Property:** | **2 Appledore Close**<br>**71 Appledore Close**<br>**16 Biddenden Close**<br>**77 Millmead Road**<br>**Margate**<br>**Kent** |
| **Applicants:** | **Mrs. E.A. Chanter**<br>**Mr. P.C. and Mrs. J.R. Shilling**<br>**Mr. F. S. Styles**<br>**Mr. A.O. Hepburn** |
| **Respondent:** | **Thanet District Council** |
| **Date of Hearing:** | **8th December 2003**<br>**4th February 2004**<br>**13th February 2004** |
| **Members of the Tribunal:** | **Mr. R. Norman (Chairman)**<br>**Mr. M.G. Marshall FRICS**<br>**Ms L. Farrier** |
| **Date decision Issued:** | 20th February 2004 |

**RE: 2 and 71 APPLEDORE CLOSE, 16 BIDDENDEN CLOSE and 77 MILLMEAD ROAD, MARGATE KENT**

**Background**

1. The application before the Tribunal is under Section 27A of the Landlord and Tenant Act 1985 ("the Act") and has been made by the leaseholders of 2 and 71 Appledore Close, 16 Biddenden Close and 77 Millmead Road, Margate, Kent ("the subject properties"). The subject properties form part of the Millmead Estate which comprises a number of purpose built blocks of flats; one of them being a high rise block ("Invicta House") and the remainder being low rise. The subject properties are all within the low rise blocks and the Applicants are the leaseholders of their flats, having originally been acquired under the Right to Buy Scheme. The freeholder of the Estate is the Respondent and the vast majority of the flats on

the Estate are let to tenants of the Respondent. The application is for a determination in respect of service charges relating to the costs of installation of double glazing, facias, soffits, guttering, doors and a new door entry system (which we will refer to as "the double glazing works") and overcladding which includes the removal of tiles and battens, the removal and replacement of some items and the extension of other items, the installation of polystyrene insulation and a self coloured render coat and a brick facade finish (which we will refer to as "the cladding works"). We will refer to the whole combined works as "the works". The main contractor is Connaught Property Services Limited (CPSL) and DWL are subcontractors for the double glazing works. We were told, and it has been agreed by the parties, that the works in respect of the blocks containing Nos. 2 and 71 Appledore Close and No. 77 Millmead Road (and Invicta House) had begun in October 2003. No work had yet begun on the block containing No. 16 Biddenden Close but similar works are contemplated for that block in the future. Mr. B.J. Cobb represented the Applicants.

2. Documents have been submitted by and on behalf of the Applicants and by the Respondent and we have considered all those documents.

3. We were supplied by the Respondent with a bundle of documents for the hearing on 8th December 2003 and a bundle of documents for the hearing on the 4th February 2004. Unless otherwise stated, page numbers refer to documents in the bundle supplied for the hearing on the 4th February 2004.

4. Our determination appears at paragraphs 32 to 46.

**Inspection**

5. On the 8th December 2003 and the 4th February 2004 we inspected the interior of No. 2 Appledore Close and the exterior of the other subject properties and the exterior of the Estate in general. On both occasions Mrs. Chanter and Mr. Cobb on behalf of the Applicants and Mr. Bedingfield of the Respondent were present.

6. Because when we inspected on the 8th December 2003 the works had begun, we were not able to see all the subject properties in their condition before the works commenced but because the works on different parts of the Estate were at different stages and we inspected on two dates we were able to see examples of similar properties before the works had commenced and examples of the almost completed double glazing works. By the time of our inspection on the 4th February 2004 the cladding works had been almost completed in respect of Invicta House and therefore we were able to gain some impression of the expected appearance of the subject properties on completion of the works.

7. Some of the properties which were still in their original state appeared to be in need of repair as a result of vandalism or simple wear and tear. For example, there were some tiles on the elevations and some entrance doors which had been damaged but it was accepted by Mr. Bedingfield that the blocks containing the subject properties where the works had commenced had suffered less vandalism and had been in a better state.

**The hearing**

8. On 8th December 2003, the hearing was attended by:

Mrs. E. Chanter and Mr. B.J. Cobb as representative
Miss J. Shepherd of Counsel for the Respondent
Ms J. Woodward, Senior Legal Executive with the Respondent
Mr. B. Bedingfield, Principal Building Surveyor with the Respondent
Ms L. Crockett from the Administration Section of the Respondent which deals with estimates.

9. Mr. Cobb made the following submissions:

(a) That the notices served by the Respondent in respect of the works did not comply with Section 20 of the Act because two estimates had not been given. He accepted that as the cladding works were an improvement a Section 20 notice was not required but that Section 18 of the Act defines service charges and an estimate should be given.

(b) That the Respondent must have known before May 2003 that the works were to be carried out but there had been no consideration for the Applicants about the amount of money to be charged. They had had no chance to contest or consult. The only consultation after the service of Section 20 notices was as to the colour of the bricks. He queried the reasonableness of the works and pointed out the difficult situation in which the Applicants were placed. He thought the cladding and the double glazing would look nice but that it would take 30 or 40 years to get back in energy saving the money spent on the works. He accepted there would be savings in painting but pointed out that the Respondent had done other things such as digital cabling and this meant that the Applicants were being asked for about £14,500 in October 2004.

(c) That he considered that £3,000 for double glazing was too much and had some evidence to support this. None of the Applicants had seen an estimate or tender. They did not know if it was competitive and the Applicants were never consulted. He had no idea how much the cladding works should cost or whether the quote was for the individual block or the whole site. He did not know if the figures were fair. The Applicants would not have had all the work done because they could not afford it. The tiles looked good and the contractors had removed them carefully, from which he presumed that the contractors could sell them. Cavity walls were insulated 4 years ago and if the Respondent had replaced a few tiles that would have been sufficient. Nobody was forcing the Kyoto agreement on the private sector. If the Respondent had been told by the Government to do the works Mr. Cobb questioned whether that would be a repair or done for the Kyoto agreement and should the Applicants pay?

10. Miss Shepherd made the following submissions:

(a) That consultation only applied to the double glazing works as in May 2003 Section 20 applied to repairs but not to improvements.

(b) That although there had not been strict compliance with Section 20 because there had not been two estimates, the Respondent had a good reason for this, namely, the LHC Schedule of Rates had been used. The LHC carry out the tendering process. They see that the best rates have been obtained. The Respondents are not the ones to do that so cannot send out the estimates. The need to protect leaseholders is the spirit of the Act and there had not been a

flagrant disregard of the Act by the Respondent. There had been compliance by going through LHC. The Respondent sent a notice describing the works in May 2003 and invited examination of the specification and informed the Applicants of LHC and invited comments by a date. The Respondent behaved responsibly.

(c) That at the material time the Respondent was not required to give a Section 20 notice for improvements but had given a letter in similar terms and had behaved reasonably.

(d) That the Respondent had sympathy with the Applicants as to the level of the bills but there were savings to be had by doing all the work at once and that although the Applicants may not be able to afford the works, the leases say they are liable for repairs and improvements and it is not within the jurisdiction of the Leasehold Valuation Tribunal to say if the Applicants can afford the costs but whether they are properly levied; including an implied reasonableness in respect of improvements.

(e) That the windows needed replacing and double glazing is the current way of replacing windows. That was not overspending on repairs.

(f) That there had been no actual complaint as to reasonableness of costs incurred and that if the application was now that the double glazing was too expensive Miss Shepherd did not have instructions to deal with that. Her instructions had been just as to consultation requirements.

11. Mr. Cobb made further submissions that it was the spirit of the law that the Respondent could only avoid the need to comply with the Act in cases of emergency; that the Applicants should have been invited to view the specification; that there was no point in consulting after a contract had been signed and that the Respondent could have said to the Applicants that this major set of works was going to be done and given out the estimates. He queried whether the figures were reasonable and submitted that the law should protect people like Mrs. Chanter.

12. The Chairman asked when the costs for the works were incurred and Miss Shepherd stated that they were not yet strictly incurred because the works were ongoing. She did not know when costs would be incurred but they would not be put to the Applicants until 2004.

13. Mr. Marshall asked whether the works were charged separately for each block and Mr. Bedingfield stated that the charges were for the whole site. The contractor will be able to bill for work completed. The scaffolding having gone up, the next interim payment would include that. Valuation would be per block.

14. Miss Shepherd agreed that the Tribunal had jurisdiction to look at improvements as no costs had yet been incurred and that the Tribunal could look at whether the costs of improvements had been or would be reasonably incurred and stated that there had always been a term of implied reasonableness.

15. As to Mr. Styles' flat, the work had not yet begun and Miss Shepherd stated that the Respondent would have to consult with him under the new provisions but in respect of the flats of all the other Applicants, the scaffolding was up before the end of October 2003.

16. Miss Shepherd agreed that there had not been strict compliance with Section 20 of the Act in relation to the double glazing works.

17. The Tribunal was shown a sample of the cladding finish. It consisted of a polystyrene layer, then a self colour render and a brick facade finish. The intention is that where bricks are covered by the cladding the outward appearance will be largely maintained by the brick facade.

18. Time would need to be given for the Respondent to get the evidence together in respect of the reasonableness issue and the hearing was therefore adjourned to the 4th February 2004.

19. The hearing resumed on the 4th February 2004 and was attended by:
Mrs. E. Chanter and Mr. B.J. Cobb as representative
Mr. F.S. Styles
Miss J. Shepherd of Counsel for the Respondent
Ms J. Woodward, Senior Legal Executive with the Respondent
Mr. B. Bedingfield, Principal Building Surveyor with the Respondent
Ms L. Crockett from the Administration Section of the Respondent which deals with estimates.
Ms Edwards from the Respondent.
Mr. A.P. Baker, Senior Building Surveyor with the Respondent (attended in the afternoon only because he was on jury service in the morning)

20. Mr. Cobb asked how the calculation of the contribution was made and Miss Shepherd explained that there was an overall contract but that the blocks were separate. Also the leases created a liability to contribute towards communal works on the site and the extent of that liability depended on the definition of "the Site" in each lease. The Tribunal noted that in Mrs. Chanter's lease of No. 2 Appledore Close the site is defined as 1 - 8 Appledore Close and her liability is to contribute to only those communal works in respect of 1 - 8 Appledore Close but in Mr. Hepburn's lease of No. 77 Millmead Road the site is defined as 1 - 8 Appledore Close and 69 - 77 Millmead Road and his liability is to contribute to the communal works in respect of 1 - 8 Appledore Close and 69 - 77 Millmead Road. In Mr. and Mrs. Shilling's lease of No. 71 Appledore Close the site is defined as 66 - 83 Appledore Close, 79 Millmead Road and 51 Elham Close and their liability is to contribute to the communal works in respect of 66 - 83 Appledore Close, 79 Millmead Road and 51 Elham Close. In Mr. Styles' lease of No. 16 Biddenden Close the site is defined as 15 - 23 Biddenden Close and his liability is to contribute to only those communal works in respect of 15 - 23 Biddenden Close. This wording results in, for example, Mrs. Chanter being asked to contribute to only one front and one rear door whereas Mr. Hepburn will be asked to contribute to two front and two rear doors. The wording may be the reason Mr. and Mrs. Shilling will be asked to contribute to one front and two rear doors but this could not be satisfactorily explained on behalf of the Respondent.

21. Mr. Cobb asked why since the first hearing new figures had been produced which showed an 18% increase in the cost of the double glazing works and a reduction in the cost of the cladding works. Mr. Bedingfield explained there had been a recalculation. Two elements of that were:

(a) That Mrs. Chanter had less to pay because she already had double glazing in her flat and her contribution to the double glazing works was therefore only in respect of communal windows, doors and the door entry system, facias, soffits and guttering.
(b) A recalculation had also been necessary because of the wording of the leases.

22. Mr. Cobb stated that it was difficult to assess the ethics of the Respondent when it was agreed the Respondent had not complied with Section 20 but still continued to defend its actions when morally down. Miss Shepherd submitted that this was not a flagrant disregard for the provisions of Section 20 because by using the tendering process it was cheaper and the Respondent had acted reasonably.

23. Miss Shepherd dealt with the following matters with evidence from Mr. Bedingfield and Mr. Baker.

(a) As to whether the costs were reasonably incurred and why it was considered necessary to carry out replacement of windows and gutters etc., the windows were original in the 1960s and it was the strategy of the Respondent to replace all with double glazing and while doing the cladding works decided to do the whole. There would be no need in the future to paint and maintain and this would produce a saving in paint, labour and in the use of scaffolding.

(b) As to the necessity to replace the door entry system, the doors and windows, the door entry system was an analogue system wired to each flat. The new one would be digital and with less to go wrong. Several of the timber entrance doors were damaged and the long term intention was to replace all with aluminium powder coated doors to be more robust and not need painting. The old doors probably date from the early eighties. The original windows were Crittal, pivot hung. There were problems of obtaining replacement hinges and in fact some had been salvaged from this site to use elsewhere.

(c) As to the cladding works Mr. Bedingfield referred to paragraph 1 of his statement (p. 3 of the bundle of documents supplied for the hearing on 8th December 2003) and to p. 90 in that bundle showing the calculation of the improved energy rating at the end of the CPSL contract. Improvement would be achieved by various projects. This represented the third highest Standard Assessment Procedure rating (SAP) in Council housing in the Country. In the long term there would be reduced energy costs and a reduction of $CO^2$ emissions. The calculations included all improvements not just cladding. The SAP takes into account the type of heating etc. The figures are the improvement from the original.

(d) As to cavity wall insulation, Mr. Bedingfield stated that the Respondent did not fill cavity walls where there was tile hanging. Mrs. Chanter paid for central heating but not for cavity wall insulation. There is a cavity behind the tile hanging but it has not been filled. To cavity fill there is a need to drill a hole every metre and every 500 mm on reveals. It is easy in brickwork to drill in the joins but not practical to drill a hole every metre in tiles. It would damage the tiles. Every metre, or less where there is a reveal, there would be a replaced tile that did not match. In Mrs. Chanter's block the tiles were painted about 10 years ago.

(e) The costings of the works are from p. 77 onwards. The prices were handwritten on the right by CPSL on an individual price estimate by their Quantity surveyor.

(i) The Chairman asked why at p. 109 there were different figures for different door entry systems. Mr. Bedingfield suggested the figure was based on the number of flats in each block but Ms. Farrier pointed out that it did not seem to tally with the number of flats. Mr. Baker suggested that it may be the configuration of the flats resulting in some requiring more wiring.

(ii) At p. 113, only 4 rates per square metre were used. Only 2 rates were highlighted. Mr. Baker deals with this in his statement at pp. 4 - 6. At p. 5 the lowest tender in March 2001 was much higher than the later CPSL price. At p. 6 there is a comparison of the cost of render by CPSL and 2 other companies through LHC.

(iii) As to the individual breakdowns of costs, the prices used on p. 157 come from p. 158. At pp. 137 - 154 there are comparisons with DWL figures. In most cases DWL were the cheapest. The lists gave prices in 2000 but there have been uplifts since.

(iv) Asked to explain the 15% main contractors profit on p. 157 Mr. Baker explained that it was a charge for integrating the measured term contract into the main contract; project managing it. In this way the main contractor CPSL took responsibility for delays. DWL were not nominated sub contractors but CPSL were requested by the Respondent to use them. An LHC nominated window company would have been twice as expensive as DWL. LHC are not always the cheapest for everything. Estimates came from DWL to Mr. Baker direct. DWL have been doing work for the Respondent for 3 or 4 years. If a different contractor is used there is a need for different types of replacement stock, which causes problems. DWL rates were lower than CPSL rates for double glazing, soffits etc. The tender includes the profit and attendance figure. There is a need for both cladding and double glazing works on site at the same time and CPSL and DWL needed to work together and the responsibility was with CPSL. For this reason CPSL add on 15% but do not add also to window prices. DWL have a separate pricing structure for scaffolding.

(v) As to preliminaries (as shown for example at p. 162 and in summary at p.111), being at 18% rather than 22% there is a figure for the scaffolding for the whole works: the high and low rise. The Tribunal does not have this. Mr. Baker considered that 18% was about fair to take account of the difference between the scaffolding and hoist etc. for the high rise compared with the scaffolding for the low rise. It may be a bit higher than if all the cost were analysed. If less is required from the low rise he will adjust the figure; if more is required he will ignore it. There was no actual maths involved in reaching the percentages used.

(vi) P. 156 shows how the figure for Mrs. Chanter's contribution was reached, based on Rateable Value.

(vii) At p 156, the figure for design, supervision and management is the Respondent's cost of dealing with contractors etc. 7.5% for the Respondent is added on to the full cost including the contractor's profit.

(f) As to the differential between the more recent figures and the previous figures shown at p.169, Mrs. Chanter's charge was reduced for double glazing because it was originally based on 1-8 Appledore and Millmead and the original estimate did not take into account that Mrs. Chanter already had her own double glazing. The net effect is that her contribution is reduced. The increase on the other two in respect of the double glazing works may be due to

variations to the contract. The reduction for the cladding came about because the Respondent had done away with lead work which reduced the cost and there had been estimates on calculation of the whole. In all cases the total figure had reduced. As to p. 160, the estimate of the cost of the cladding works, this will have to be re-measured as it will be on completion. The figure seemed about right but was not arrived at mathematically. On completion there will be a mathematical calculation. At p. 159 there is the calculation of Mrs. Chanter's charge for the cladding works and the calculations for 77 Millmead Road and 71 Appledore Close are at p.161 onwards. At p. 166, the charge at 71 Appledore Close for 1 front and 2 rear doors could not be explained on behalf of the Respondent.

(g) Mr. Baker deals with the reasonableness issue in his statement in which he shows the comparisons of estimates and why things were done. The Respondent relies on that.

(h) At p.160 the reductions are on the basis of what the Respondent thought was the original cost of the whole block but then inspected the leases and found the position was different. A 50% reduction in the supply and fixing of overcladding was because this block was approximately half the size it was originally thought to be. A 75% cost (in other words a 25% reduction) in the cost of removing tile hanging was because of a difference in the quantity of tile hanging on this block. The figures are just rough estimates. When the works are completed all will be re-measured. The 60% figure for supply and fix overcladding. There are two figures for this work because there is a figure for each elevation. There are more tiles on some elevations. On completion the cladding will be re-measured and there will be a check on the cost of items of double glazing etc. to see that it relates to the schedule of items and that there is no overcharging. There should not be much difference in the end figure for the double glazing works and no increase in the contract itself. The cost of the cladding works should not actually exceed what is on the documents supplied.

(i) As to savings in energy, Mr. Bedingfield stated that there would be a saving for Mrs. Chanter of 15% on fuel bills as a result of the cladding works only. Referring to p. 91 of the bundle of documents supplied for the hearing on 8th December 2003, there would be only a small addition in insulation in the cladding where there is already cavity wall insulation. By installing double glazed windows and cladding savings of up to 30% were expected. The windows would produce 10% and the cladding 20%. Mr. Bedingfield still thought that 30% would include the cladding. He stated that where the local authority have access there was 200 mm insulation in the roof and that roof and cavity wall insulation produced the biggest savings.

(j) Mr. Bedingfield considered that the use of brick facades was more likely to stop graffiti and that if damaged it would be possible to replace identical brick facades.

24. Mr. Cobb was concerned that the figure could go up and down without control. He considered that instead of the cladding works, some of the tiles could have been taken off and insulated underneath and then the tiles could have been painted but Mr. Bedingfield considered that to be impractical and stated that the tiles could be painted only once.

25. Mr. Cobb was concerned as to how it was known that the works produced value for money in the first place? Mr. Cobb says his home was double glazed for £1,600 2 years ago by Anglian. Mr. Baker stated that LHC check to get the best cost but accepted that LHC was not a guarantee of low price because DWL was lower. The normal tendering procedure can

cause problems and is expensive. CPSL were tried and tested by LHC, but there was not a guarantee of the lowest price. CPSL was the lowest on LHC rates for cladding.

26. Mrs. Chanter thinks the double glazing looks good.

27. Mr. Styles questioned why cladding should be used to pick up a couple of per cent in savings. It was not cost effective. He asked if the cladding had to be decorated. Mr. Bedingfield stated that the cladding was self coloured and he thought it had a twenty year guarantee. The windows were guaranteed for 10 years with the ironmongery probably for a year. The soffits probably had no guarantee and there was a one year guarantee for the door entry system. The cladding was guaranteed for 20 years against discolouring or loose fixing or chipping off.

28. At p. 87 of the bundle supplied for the hearing on 8th December 2003, is a note which Mr. Baker said was from a consultant. That note stated that the addition of more insulation to a surface will have diminishing returns. The savings you get with the first layer of insulation will always be greater than the savings you get from the second layer. This means that the savings achieved from the external insulation are not as great as that that would have been achieved from the cavity fill. However overall there are reasonable savings from the addition of the external cladding - particularly to the tiled walls that did not get the cavity fill. Mr. Baker said that there were still energy savings to be made and the cladding would improve the outlook of the Estate which is a benefit.

29. Mr. Baker understood that in a tower block in Ramsgate similar to Invicta House before cladding a flat was going for £40,000 but after cladding a year later was going for £58,000 but said it could be that the market had gone up. Mr. Cobb said that in September 2003 a two bedroom flat in Appledore Close was valued at £54,000.

30. Mr. Baker said that at p. 133 the table shows the difference in square metre rates between other LHC agreements contractors and CPSL. There will be no uplift on rates by CPSL. There may be standard building variations where something arises of which the contractor and the Respondent were not aware.

31. In closing Miss Shepherd submitted that:

(a) The costs of the works had been reasonably incurred. There had been no complaint of the standard of the works. She asked the Tribunal to consider whether the Respondent's actions were reasonable and whether the amounts charged were reasonable. The terms of the leases as to service charges were relatively wide. They included improvements. Clause 6 (5) sets out the provisions. Strictly within the terms of the leases the local authority could charge for these type of works. Repairs included all the double glazing works and in fact everything apart from the cladding. The costs were reasonably incurred. There was evidence from Mr. Baker as to how the rates were obtained. They were competitive. There were documents in the bundle, of other contractors who put forward tenders. DWL at that time were highly competitive. It was appropriate to go with DWL. Once the overcladding contract had been assigned to CPSL who would carry out the entire contract, CPSL added 15% as result of taking on DWL. It was entirely reasonable for the Respondent to accept that, so that CPSL would take the risk. If the 15% were taken away then the cost of windows would go up. There may have been problems of CPSL not wanting to go on site. Paying the 15% was the

most cost effective way of running this particular contract. There was no evidence of more competitive rates than by CPSL. It is not in dispute that the windows needed replacement. There was a need for replacement of communal double glazing. The windows were the originals. There would be cost savings in decorating etc. to leaseholders. The door entry system was not said not to need replacement. The works were appropriate and the costs not unreasonably incurred. Cost competitive rates were obtained. The same applied in respect of the soffits etc.

(b) As to improvements, the cladding works, Mr. Bedingfield had given evidence of the requirement to reduce $CO^2$ emissions which Councils were required to do so within 10 years. There was some contribution by British Gas. The figures show significant savings and in relation to the overall general effect aesthetic benefits. There is a twenty year guarantee. The previous covering was tiles and on other buildings they have been vandalised. Ongoing maintenance costs are saved. Along with the benefits of energy efficiency the cladding works either improve or sustain the value of the property. It is accepted that it looks nicer and neater and tidier. It is a benefit to the leaseholders and no complaint has been made that it should never have been done. As to the cost, LHC is not necessarily the cheapest but the first company the Respondent used for overcladding before going to LHC was the lowest and the Respondent regretted using that company. CPSL were the second lowest. Prices were compared within LHC and also on the open market and CPSL fitted the criteria. There is no obligation to use the cheapest; must act reasonably. There was a good competitive quote from a reasonable contractor. Neither decision was unreasonable. Therefore there should be no reduction in the amounts charged. There is difficulty in relation to the figures. They are not the final figures. Under the contract there cannot be uplifts but savings are passed on and "guestimates" made as to, for example, the extent of tile removal. It will be measured on a more definitive basis at the end. The price may fluctuate and the final prices could not be given at this stage.

**Determination**

32. The members of the Tribunal met in the absence of the parties to consider the evidence.

33. The commencement of the Commonhold and Leasehold Reform Act 2002 and the amendments which it has made to the Act result in the following:

(a) In relation to the double glazing works the Tribunal must determine whether or not the provisions of Section 20 of the Act have been complied with. It has been accepted on behalf of the Respondent that Section 20 was not strictly complied with and we find that in relation to the double glazing works Section 20 was not complied with. In relation to this matter only the County Court may, if satisfied that the Respondent acted reasonably, dispense with all or any of the relevant requirements. In the absence of such a dispensation there is a limit to the charges which the Applicants are obliged to pay.

(b) In relation to the double glazing works the Tribunal has jurisdiction to determine whether or not the costs of those works were reasonably incurred or whether if costs were incurred for the double glazing works they would be reasonable.

(c) In relation to Mr. Styles, the substituted Section 20 as to consultation will apply and this was accepted on behalf of the Respondent. As the works in respect of his property have not yet commenced, if the Section 20 procedure is not complied with then the Leasehold Valuation Tribunal will have jurisdiction to dispense with all or any of the relevant requirements if satisfied that the Respondent acted reasonably.

(d) In relation to the cladding works in respect of the remaining properties, Section 20 Notices were not required to be served but the Tribunal has jurisdiction to determine whether or not the costs of those works were reasonably incurred or whether if costs were incurred for the cladding works they would be reasonable.

34. At this stage the Applicants have been informed of the sums they are likely to be asked for but have not yet been asked for any payment and the final figures for the works are not yet available.

35. There is also the wording of the leases which increases the liability of some lessees in respect of communal works beyond those directly connected with their flats. However, the leases were accepted by the lessees and they are bound by their provisions unless and until the leases are amended.

36. We have some additional difficulties in that a number of "guestimates" have been made by officers of the Respondent and exact figures in respect of some aspects of the works may never be available. Neither do we know for example, what would be the cost of scaffolding to enable just the double glazing work to be carried out on the low rise blocks.

37. We have to do our best with the evidence before us.

**The Double Glazing Works**

38. We find that the windows, soffits, facias, and guttering were in need of repair and that to replace them with UPVC was cost effective in relation to the actual replacement, the increased insulation, the saving of fuel costs and the saving of the costs of repair and decoration in the future. We also find that the doors and the door entry system were in need of replacement and that it was reasonable to replace them.

39. On inspection, we found the new items to be of good quality and indeed no complaint was made as to the quality or the standard of workmanship.

40. We have some evidence that DWL were cheaper than some other suppliers but at this stage we make no determination as to the amount to be payable because the Respondent has not asked the Applicants for any actual payment towards the costs based on the estimates, final figures have not been calculated and we do not know the actual sums which the Respondent will be seeking to recover from the Applicants.

41. If the service charges in the form of the actual sums charged to the leaseholders after final calculations are made are not agreed by the parties they may need to apply to the Tribunal for a determination of the actual sums to be paid. If such an application is made, the Tribunal will need to see evidence of the figures for the relevant blocks in respect of, for example, a proportion of the scaffolding in respect of the double glazing works, the final

prices for the items such as the windows and the calculation of the proportion charged to each Applicant.

42. Recovery of sums will be subject to the County Court jurisdiction in respect of dispensing with the requirements of Section 20.

**The Cladding Works**

43. We find that there was no clear evidence as to the energy savings resulting from the cladding. Various percentages were given but there was conflicting evidence on behalf of the Respondent as to the benefits. A significant part of the expense of the cladding works arose because items had to be removed and replaced or extended so as to protrude beyond the new cladding.

44. We can understand the Respondent wishing to achieve targets but we were not satisfied that such high expense for so little gain by the leaseholders was reasonable.

45. Filling the cavity behind the tile hanging would have produced greater benefit and the cost would have been far less in replacing some tiles, and perhaps some battens and the cost of removing and replacing or extending items would have been saved. We noted that nearby in Millmead Road some tiles on the front elevations of properties had been painted and a reasonable finish had been obtained. It would have been possible to simply replace any broken tiles and not to fill the cavity. There was no evidence that the tiles were in a poor state.

46. It is not within our jurisdiction to consider whether or not the Applicants are able to afford the works but in respect of the cladding works such great expense for so little benefit we find as a fact is not reasonable and consequently that the costs of the cladding works were not reasonably incurred and should not form part of the service charges.

R. Norman
Chairman.