

**RESIDENTIAL PROPERTY TRIBUNAL SERVICE**

**LEASEHOLD VALUATION TRIBUNAL**

**LANDLORD & TENANT ACT 1985 : SECTION 19 (2A) AND (2B)**

**DECISION OF THE LEASEHOLD VALUATION TRIBUNAL**

**Case Nos:** CHI/24UE/NSI/2003/0042  
CHI/24UE/NSP/2003/0011

**Property:** **High Oaks House**  
**High Oaks Close**  
**Locks Heath**  
**Southampton**

**Applicant:** New Era Investments Ltd

**Respondent:** Mrs E Carter

**Appearances:** Mr R H Pout )  
Mrs S Pickles )      **Joined Parties**

Mr Boon (Eyre & Johnson, Solicitors)  
for Applicant  
Mr Beamish MBA FRICS MIRPM  
(DMA Chartered Surveyors)  
Mrs Carter – Respondent

**Date of Application:** 28 July 2003

**Pre-trial review hearing:** 29 September 2003

**Hearing date:** 1 December 2003

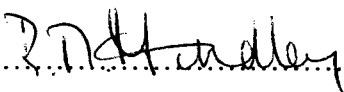
**Members of the Tribunal:** Mrs B M Hindley LLB (Chairman)  
Mr B H R Simms FRICS MCI Arb  
Mr J Mills

**Date decision issued:** 17 December 2003

1. The Tribunal inspected the property before the hearing. They found it to be a 2/3-storey block, constructed in the 1980s, of 49 warden assisted one-bedroom retirement flats, with one further two-bedroom flat occupied by a warden. The complex also comprised a residents' lounge, with separate, small kitchen, a guest bedroom with en-suite facilities and two laundry rooms equipped with washing and drying machines. Occupying a corner plot the property was set in good sized and fenced grounds comprising grassed areas, flower beds and borders with, at the front, undemised car parking.
2. Before the hearing the Applicant, in compliance with the Directions, had made available to the Respondent files of invoices covering the years in question but the Respondent wrote, and reiterated at the hearing, that she had not felt able to examine these.
3. At the hearing the Tribunal explained that many of the points raised by the Respondent, including for example the changes of freeholder, were outside their jurisdiction in their consideration of the reasonableness of the service charges. Other issues also, it was explained, could not be considered since they related to work which the Respondent wished to have done rather than that which had been effected and charged for in the service charge accounts.
4. The Tribunal considered sequentially each individual head of expenditure included in the service charge invoices for the years in question – namely the years ending 24 March 1999, 2000, 2001, 2002 and 2003. They closely questioned Mr Beamish, the representative of the managing agents, DMA Chartered Surveyors. During the course of the hearing Mr Beamish provided some documentation requested by the Tribunal from the files already made available to the Respondent, and he agreed to make available to the Tribunal those files, together with other documentation identified by the Tribunal, to enable the Tribunal to study all the material at their meeting on 5 December. This he did, together with a letter dated 5 December, which was copied to the Respondent for information.
5. In the course of their detailed examination of all the listed individual heads of expenditure for the years in question, the Tribunal carefully considered the items, within their jurisdiction, raised by the Respondent and relating to the cleaning of the dustbins, the re-upholstery of the chairs in the communal

lounge, the difficulties experienced with the stiffness of the entrance door, the paving of the area around the rubbish bins, the repairs to the guttering, the tree and holly bush surgery, the gardening and the fact that the guest room was no longer available at weekends since it was used by relief wardens.

6. As a result of their examination of Mr Beamish at the hearing and their subsequent examination of the invoices and other supporting documentation provided on 5 December, the Tribunal was satisfied that all of the Respondent's criticisms were unfounded. Accordingly, having themselves identified no other issues apart from the one exception noted below, the Tribunal accepts that for the years in question all of the costs claimed were both reasonable and reasonably incurred.
7. The exception relates to a works management fee charged at 10% in the year ending 24 March 2000 in connection with external decoration costing £6,548 plus VAT. This was queried by the Tribunal at the hearing and Mr Beamish accepted, in the documentation he provided after the hearing, that the correct charge should have been £818.50 plus VAT and not £961.74 plus VAT as charged. Mr Beamish has undertaken to refund the overcharge of £161.31 inclusive of VAT by way of a credit note.
8. Looking to the future, the Tribunal was pleased to note Mr Beamish had moved the client bank account from HSBC in order to secure a better rate of interest on deposit. They would also suggest, in the interests of greater transparency, that the service charge accounts should be drawn up using an accrual basis of accountancy as advised at para 11.2 of the RICS Service Charge Residential Management Code.
9. The Tribunal also considered the budget for the years up to and including 2006, drawn up as required by the terms of the lease and to which the Respondent raised no objections. The Tribunal noted that the budget did not include any reserves for any major works apart from internal and external decorations and that all included expenditure was lower than current expenditure. The Tribunal considers, for these reasons, that the budget is not realistic. However, at £278.00 per quarter, it considers it to be reasonable.

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B HINDLEY (Chairman)

Dated:.....15/12/03.....