IN THE LEASEHOLD VALUATION TRIBUNAL
LON/00AP/LSC/2006/0270

AND IN THE MATTER OF 55 CROWN CLOSE WINKFIELD ROAD LONDON N22

BETWEEN

ROYA AHMADI AND OTHER LEASEHOLDERS OF CROWN CLOSE

Applicants

-and-

(1)GEORGE WIMPEY SOUTH MIDLANDS LIMITED

(2)CPM ASSET MANAGEMENT COMPANY LTD

(3)LORDSHIP LANE (MINERVA) MANAGEMENT COMPANY LIMITED

Respondents

THE TRIBUNAL'S DECISION

Hearing

Dates: 14 September and 16 November 2006

Appearances: Miss R Ahmadi on behalf of the Applicants
Mr J.S Latta MRICS on behalf of CPM Asset Management Company Ltd (Second Respondent) and as agent for Lordship Lane (Minerva) Management Company Ltd (Third Respondent)

Inspection: 14 September 2006

Tribunal: Mrs S O'Sullivan Solicitor
Miss J Mc Grandle BSC MRICS MRTPI
Mr A Ring

Background

1. Unless stated otherwise the references in bold are either to the Applicant's bundle (**AB**) or the Respondent's bundles (**RB1** and **RB2**) and the pages within the respective bundles.

2. The Application to the Tribunal under s.27A of the Landlord and Tenant Act 1985 (as amended) (the "Act"), dated 24 May 2006, sought a determination of the Applicants' liability to pay and the reasonableness of service charge costs in relation to the service charge years 2004, 2005 and 2006.

3. The Applicants also made a further application under section 20 (C) of the Act to disallow, in whole or in part, the Respondents' costs incurred in these proceedings.

4. A pre-trial review was held on 12 July 2006 and directions made. These directions provided for 12 other leaseholders to be joined to the application and also directed that any other leaseholder who wished to be added as an applicant must notify the Tribunal in writing by no later than 31 July 2006. No leaseholders gave such notice by that date and, accordingly, no further leaseholders were joined. In accordance with those directions statements of case were served by the parties and bundles AB and RB were prepared for the hearing on 14 September 2006.

5. At the hearing on 14 September 2006 it soon became apparent that the matter would not be disposed of in a one day hearing and a date for a reconvene was set and further directions were made. These directions provided for Lordship Lane (Minerva) Management Company Limited, the landlord, to be joined to the proceedings as the Third Respondent as it became apparent that the landlord had not been a party to the original proceedings. The hearing was then adjourned to 16 November 2006. The directions also provided for the lodging of further required documents. After the hearing on 16 November 2006 the Tribunal reconvened on 1 December 2006 to make its decision.

6. By way of background the Tribunal heard that the 86 leasehold flats at Crown Close, Winkfield Road, London N22 together with the surrounding garden areas and car parking (the "Property") were developed by the First Respondent, the first flats in the development being sold and occupied in December 2003. A management company, the Third Respondent, was incorporated to administer and keep in repair the structures

of the Property and to determine and demand an annual service charge. The intention was that after completion of the sales process the Third Respondent should be controlled and administered solely by the purchasers of the flats. However the leaseholders had not yet accepted control of the management company as they were unhappy with many of the elements of the development which had yet to be finished to the original specification, such as the landscaping of the garden areas and the operation of the electric gates. It was against this background of dispute between the leaseholders and the First Respondent as developer and the Third Respondent as landlord that the leaseholders disputed the reasonableness of the service charge costs.

The Leases

7. The Applicants occupy their respective premises by leases granted variously by the First Respondent.

8. The Tribunal was provided with a copy of a specimen lease of a ground floor flat of the subject property (the "Lease") (**AB**). The accounting period commences on 1 January in each year (page 12 of the Lease).

9. By clause 1 (a)(i) of the Third Schedule of the Lease the Lessee covenants to:

"

> ***pay to the Management Company the Maintenance Charge.....in the manner herein provided without any deduction (whether by way of set off lien charge or otherwise) whatsoever"***

Part II of the Sixth Schedule of the Lease sets out the expenditure to be recovered by means of the Maintenance Charge. By Part III of the Sixth Schedule the Lessee's annual service charge contribution is 1.162% of the total expenditure and an additional sum of £25 per annum is payable if the Lessee has a car parking space within the development (**AB** page 14 of the Lease).

Inspection

10. The Tribunal inspected the subject property on the afternoon of 14 September 2006. The inspection was attended by Ms Ahmadi on behalf

of the leaseholders and Mr Latta on behalf of the Second and Third Respondents.

11. Crown Close is a recently completed 4-storey development of 86 flats laid out in four blocks, A, B, C, and D around an internal courtyard providing 40 car parking spaces. The development is set off Lordship Lane, a busy main road, by a large area of landscaping through which runs a public footpath. Vehicular access to the development is off Winkfield Road via electronic gates; there is also adjoining pedestrian access via a security-controlled side gate. Each of the four blocks is served by a lift.

12. At the time of inspection the electronic gates were wide open and not working and there was consequently no security for residents. This had led to indiscriminate parking both at the entrance to the development and within the dedicated parking areas.

13. The Tribunal noted litter lying around the courtyard and were shown the bin sheds which were designed to each house two large bins. Three of the four bin sheds were seen to contain larger items of rubbish such as mattresses and divans. The Tribunal noted that each block had its own bin shed.

14. The Tribunal inspected the landscaping which was of a very poor quality, especially to the Lordship Lane frontage to the Property where the landscaping was almost non-existent and litter had been thrown over the low level wall from the adjoining busy road. The gardens in the courtyard were lawned and planted but to a very basic standard. There were rendering works tasking place which had affected some of the lawned areas in the courtyard.

15. The Tribunal inspected the communal areas in three of the four blocks and saw that the lifts were functioning. We noted that the communal areas were clean although some paintwork in the hallways was dirty and we saw that some of the electric sockets were chipped.

Hearing

16. The hearing in this matter took place on 16 November 2006. Ms Ahmadi appeared in person on behalf of the Applicants. Mr Latta confirmed he was a senior employee of CPM Asset Management Company Limited, the Second Respondent, and was appearing in his capacity as managing agent for the development; he had assumed day to day responsibility for the estate in June 2006. He was responsible for managing six developments in total. The First Respondent was not represented.

17. As a preliminary point the Tribunal clarified the applicants to the application. It was noted that the list of leaseholders contained 2 applicants, the residents of Flats 61 and 62 who were housing association tenants. As it was their landlord, the Sutherland Housing Association Limited, who was a direct party to the superior leases, the Tribunal confirmed that they were not the appropriate parties to this application and therefore could not take part in the proceedings.

18. A further preliminary point addressed by the Tribunal was the issue of the figures included in the Respondent's breakdown of costs entitled "Service Charge Accounts" in **RB2** in respect of each of the service charge years in issue. These had helpfully been prepared by Mr Latta at the request of the Tribunal. The Tribunal had not been provided with reconciliation between the figures included in those breakdowns and those contained within the audited accounts included within **RB2**. Mr Latta gave a personal assurance that the sums included in the breakdown of costs were all included within the statutory accounts and that he had personally checked each of the entries.

19. The Tribunal considered each of the disputed items by reference to each of the service charge years in turn and the evidence heard is set out below. Its determination set out below also makes reference to the Scott Schedule attached to this decision which for clarity sets out each of the service charge figures and the Tribunal's determination in relation to each item.

Year ending 31 December 2004

Electric Entry Gates

20. The property has electric gates allowing both vehicular and separate pedestrian access to the development. It was accepted by the parties that the entry gates had never worked effectively and had been a problem on site since the commencement of occupation by residents.

21. There were two elements to the costs charged in respect of the gates for the year ending 31 December 2004. First there were maintenance charges in respect of routine maintenance costs which were not covered by the warranty and, secondly, 20% of the total fees of the building services

engineer was also claimed. The figure of 20% was reached by estimating the total time spent by the building services engineer on technical matters arising in connection with the gates. Invoices in relation to these sums were numbered 45, 46, 47, 48 and 49 and included with the service charge accounts for the year in question.

22. It was the Applicants' case that the gates had simply never worked. This failure had caused in turn various other problems at the Property including the illegal parking on the development by non-residents, the parking by residents in parking bays not allocated to them, the parking on pavements adjoining the gates by residents and non residents alike and the general obstruction of emergency vehicles entering the development. It was conceded by Ms Ahmadi that the gates had been operative for most of 2004 but that they had always had a fault in that they "jittered" when in operation and scraped along the ground. The Tribunal heard that it was the Applicants' case that the design of the gates was fundamentally flawed in that they were lightweight and unfit for purpose.

23. In reply Mr Latta conceded that the gates had always been an issue. The Second Respondent faced a problem in that they were presented with the gates which had already been installed by the developer, the First Respondent, when they took over management of the Property and had to attempt to deal with them. He accepted that the gates needed at the very least redesigning. However he went on to give evidence that the gates had functioned for the majority of this period and that an element of routine maintenance was required in any event which was not covered by the warranty in place whether the design was flawed or not. He also submitted that vandalism had taken place which had contributed to the problem. He accepted that some of the costs incurred in this period contained within invoice number 47 in the sum of £376.00 would not have been incurred if the gates had been properly designed and therefore conceded this sum. The revised sum claimed was therefore £1,080.33.

24. The Applicants accepted that they should pay some element of the maintenance costs and the fees of the building services engineer. The Applicants offered 10% of the total revised costs.

25. Having regard to the evidence it had heard from the parties the Tribunal found that as the gates had worked throughout 2004 the revised sum claimed by the Respondent of £1,080.33 was reasonable.

Cleaning

26. The costs in issue were £6.020.00 and the Tribunal had been provided with copy invoices relating to the cleaning costs numbered 1-10 and 59A contained within **RB2** behind the statutory accounts for the year in question.

27. It was the Applicants' case that although some cleaning had taken place on a regular basis not all the costs claimed were reasonable. The Applicants conceded that the carpet areas were regularly vacuumed and light bulbs changed but complained that no dusting ever took place and that the bin stores were never cleaned. The Applicants did not however produce any documentary evidence such as photographs in relation to the alleged poor cleaning. The Applicants submitted that 70% of the costs were reasonable.

28. The Respondent challenged the allegation that the communal areas were not properly cleaned. Although Mr Latta had not been personally associated with the development until 2006 he submitted that years of neglect would be apparent. He also accepted that the bin stores would not be cleaned if they contained any larger "dumped" items, such as mattresses or items of furniture, as removal of large items was not within the cleaners' remit.

29. In making its decision the Tribunal had regard to the size of the four blocks and their common parts. The Tribunal had also noted that the property was clean on inspection and therefore allowed all of the costs claimed by the Respondent in the sum of £6,020.00 as reasonable for the cleaning of the Property.

Rubbish Removal

30. The sum of £1,167.28 was claimed in respect of rubbish removal and the rental of rubbish bins and copy invoices numbered 53-56 and 57 were included in **RB2** behind the service charge accounts for the year in question. It was accepted by both parties that rubbish removal had been a problem at the Property during 2004.

31. The Applicants produced photographic evidence (Appendix E pages 53 to 54 of **AB)** which showed skips overflowing with rubbish and piles of refuse stacked on the ground. It was the Applicants' case that the correct bins were not installed on site until November 2004 and effective rubbish collection did not commence until then. Before that date the collection had been sporadic and the build up of rubbish was unhygienic and extremely unpleasant. On that basis the Applicants said that none of the costs sought should be recovered.

32. It was the Respondent's case that problems with refuse collection often occur at the commencement of a development such as this when the number and type of bins have to be agreed with the local authority and the delivery of the bins and collection of the rubbish arranged. Mr Latta submitted that the Respondent had done everything in its power to have the rubbish collected and that the problem during this period lay with the local authority and that, accordingly, 100% of the costs were recoverable.

33. It was accepted by the parties that rubbish had been a real problem for most of 2004 and the Tribunal had seen photographs of the rubbish overflowing on site and the unacceptable conditions endured by the Applicants. The Tribunal did not accept that the Respondents had done everything in its power to resolve the problem and therefore found that only 25% of the costs claimed were reasonable and allowed the total sum of £292.00.

Window Cleaning

34. The sum of £3,280 was sought in respect of window cleaning. This was amended at the hearing to £2,427.00. Copy invoices numbered 1-10 and 59A were included in **RB2** behind the service charge accounts for the year in question.

35. The Applicants' case was that window cleaning had never taken place during 2004. The Respondent accepted that windows to the individual flats had never been cleaned but submitted that the windows in the communal areas were regularly cleaned. The Respondent also confirmed that the leaseholders had only ever been charged in respect of window cleaning of the communal windows.

36. Following the directions made on 14 September 2006 the Respondent had produced a schedule of window cleaning of communal

windows. This estimated that 74% of the windows were cleaned and it was Mr Latta's submission that this percentage of windows had been cleaned since completion of the development in July 2004. In accordance with the directions dated 14 September 2006 Mr Latta had endeavoured to agree this with Ms Ahmadi before the reconvened hearing but had been unable to do so and at the hearing Ms Ahmadi was unable to comment on the information contained within the schedule save to say that she did not agree with its contents.

37. The Tribunal saw on their inspection that the majority of the windows on site appeared to be clean. Further the Applicants failed to provide any evidence of dirty windows. The Tribunal accepted the estimate provided by the Respondent contained within the window cleaning schedule and found that 74% of the costs were reasonable on the basis of Mr Latta's estimate that 74% of the windows had been cleaned on a regular basis.

Lift Maintenance and Call out charges

38. The sum of £1,145.64 was claimed in respect of lift maintenance for 2004 and the Tribunal was directed to an invoice numbered 44 behind the service charge accounts for the year in question in **RB2**. The Tribunal heard from the Respondent that routine annual maintenance was necessary and that the sum claimed for 2004 related to routine annual servicing and was therefore not covered by the warranties in place.

39. The Applicants' submission in relation to the lifts was that they broke down frequently and remained broken for several days and in some instances even weeks. However it was accepted that some routine maintenance was necessary but the Applicants' case was that only 50% of the sum claimed was a reasonable cost for the works undertaken.

40. The Tribunal accepted that routine maintenance of the lifts must take place and that the Respondent was entitled to charge for this. The Tribunal were provided with invoices and on the basis of their knowledge and experience found that the costs of £1,145.64 being in respect of the maintenance of four lifts were reasonable for this period.

Management Fees

41. The sum in issue for 2004 was £8,278.97. The invoice in relation to this sums was invoice number 19 contained behind the service charge accounts for the year in question in **RB2**.

42. It was the Applicants' case that a very poor level of management had been provided over the three service charge years in question. The complaints were that the Second Respondent failed to respond to residents' queries, faults had to be reported several times before they were logged and the response times to problems was very slow. In addition often solutions to problems were agreed at residents' meetings only to then find that that they were never actioned. Letters were sent out in error, for example the residents all received a letter about the blocks being repainted and then later received a further letter informing them that this had been sent in error. Communication was poor, there was no continuity of staff which meant that once a complaint had been logged with a particular individual often that person would then leave and the whole problem would have to be explained again with a new member of staff who was unfamiliar with the Property. Generally the residents felt they were being overcharged in management fees for the very poor service they received.

43. The Applicants were also concerned at the fact that many of the companies providing services such as gardening and cleaning of the Property were group companies of the Second Respondent and that the fees charged might well not be competitive and also those associated companies might not be kept "on their toes" as an external service provider might be.

44. The Applicants did however accept that some fees were due in respect of the management services provided and on behalf of the Applicants Ms Ahmadi submitted that a reasonable cost for the management fees would be 50% of those charged.

45. In response Mr Latta denied that the management had been poor. He gave evidence that there should not be a poor response to queries. Often letters attaching cheques would be sent to accounts and any comments contained within them would not reach a member of the management staff and in this way some queries could be missed. They did however actively encourage feedback. Any calls logged would be dealt with and if the matter transferred to a different member of staff the logged calls would likewise be transferred. As for the complaint that some items were never followed up Mr Latta's evidence was that they took a proactive stance but if they pushed too hard with the developer they would be accused of crying wolf and also

as their advice was not always accepted by the First Respondent they were in a difficult position.

46. As for continuity of staff members Mr Latta accepted a lot of poaching went on in the management sector and as staff at the Second Respondent were employed on contracts with one month's notice they could quickly move on. He accepted that this did cause difficulties on site from time to time.

47. As for the correspondence sent out in error Mr Latta accepted that this sometimes occurred but when it did so a correction would be issued and the leaseholders would not incur any charges in relation to the correspondence.

48. As far as the Applicants' complaints in relation to the in-house contractors were concerned Mr Latta denied that the relationship meant that there was no competition but rather gave evidence that this close relationship meant that they could take a tougher rather than soft approach. His evidence was that they did push the contractors to provide the best service possible.

49. On the basis of the above it was Mr Latta's case that all of the management fees charged were reasonable.

50. The Tribunal noted the evidence given by both parties in relation to the management charges. The Tribunal found on the evidence supplied in **AB** and the oral evidence it had heard from Ms Ahmadi that the management company failed to act promptly in relation to certain complaints. It was also the Tribunal's view that systems should be in place to deal with the changes in personnel if this were a common occurrence. However the Tribunal did have some sympathy as the Second Respondent's hands were tied to a great extent by the inaction of the First Respondent in relation to certain on-going complaints such as those of the electric gates and the landscaping.

51. On the basis of their knowledge and experience the Tribunal found that on a unit by unit basis the charges levied by the Second Respondent were reasonable. However the Tribunal had seen and heard evidence of some failings and therefore made a 10% deduction to reflect this and therefore found the sum of £7,451.00 to be reasonable.

Subsequent Years

52. Many of the points taken by the Applicants in relation to the service charge year ending 31 December 2004 were repeated in relation to the subsequent service charge years. Where this occurred, the Tribunal relied on the same reasons set out above in making its finding on the issues.

Year ending 31 December 2005

Electric Gates

53. The total costs claimed for this year were £3,161.23 which again included elements of routine maintenance, call out charges and 20% of the building services engineer's fees. Copy invoices in relation to the gates were numbered 141-149 and 150-155 behind the service charge accounts for the year in question in **RB2**.

54. The Tribunal heard that the gates stopped working completely in April 2005. This was not disputed by the Respondent. The gates had therefore been totally inoperative for most of 2005.

55. It was the Respondent's case again that although the gates had been inoperative for most of the year an element of maintenance was still required and the costs claimed of £3,161.23 were reasonable. Also Mr Latta again submitted that some of the costs in relation to invoices numbered 152 and 153 were due to vandalism in their entirety and these sums were conceded by the Applicants.

56. The Applicants' stance was that none of the other call out charges contained within invoices 150,151 and 154 were reasonable as these related to the fundamental design fault of the gates. 10% of the costs in relation to the routine maintenance and fees of the building services engineer were offered.

57. The Tribunal noted that the gates had been inoperative for 8 months of this service charge year. The Tribunal determined that 10% of annual routine maintenance costs should be allowed in the sum of £104.90 together with the two invoices relating to call out charges in respect of vandalism which were conceded by the Applicants. In addition 10% of the building services engineer's fees were allowed as reasonable making a total of £696.00 as recoverable.

Gardening

58. The total claimed in respect of gardening for this period was £708.38 and was supported by invoices numbered 66 and 68 included with the service charge accounts for the year in question in **RB2**.

59. By way of background it was clear to the Tribunal that the leaseholders had yet to receive the landscaped gardens within the development which they had been led to expect. Evidence showed that there was a conflict between the developer and managing agent over promises made and not fulfilled. This not surprisingly remained a bone of contention between the parties. However the issue of the landscaping was not one before the Tribunal and the Tribunal had to consider the reasonableness of the cost of the gardening actually provided to the leaseholders.

60. It was the Applicants' case that no gardening had taken place over this period. Ms Ahmadi gave evidence that the grass had not been cut and she had not seen any evidence of any contractors on site carrying out any gardening work. She also pointed to the fact that building work had been carried out on site during much of this period which would make any gardening difficult and of little value.

61. Mr Latta's evidence was that gardeners would have been on site to carry out routine maintenance work which would include clipping grass, tidying up and generally making the gardens more presentable. The Tribunal heard that a team of contractors would visit the Property once each month.

62. The Tribunal were referred to copy invoices in relation to the gardening referred to above. It was noted that these invoices were vague and contained very little detail as to what work was carried out and on what date.

63. In reaching its determination on the reasonableness of the costs charged in respect of gardening the Tribunal noted the lack of timesheets provided by the contractors and the vague evidence the Tribunal heard as to what work was carried out and when. The Tribunal found that the evidence was inconclusive and that, in view of the building work carried out over this

period, the amount of any gardening work carried out must have been minimal. Accordingly the Tribunal allowed 50% of the costs rounded to the sum of £350.00 as reasonable.

Cleaning

64. See paragraphs 26-29 above. The total cost claimed in respect of cleaning for this period was £5,291.40 and was supported by invoices numbered 59, 60, 62-70 included with the statutory accounts in **RB2**. The Applicants' case again was that the cleaning had not been to a high standard and that 70% should be recovered. The Tribunal having already found the total sum claimed by the Respondent to be reasonable in the preceding year again allowed the total sum claimed of £5,291.40.

Window Cleaning

65. The sum claimed in respect of window cleaning for this year was £2,468.52 which was amended to £1,827.00 at the hearing and the Tribunal was referred to copy invoices numbered 59,60, 62-70 included with the service charge accounts for the year in question in **RB2**. Again the Tribunal adopted the same approach used in the preceding year and allowed 74% of these costs based on the window cleaning schedule prepared by Mr Latta.

Lift Maintenance

66. The sum claimed in respect of the lift maintenance and call out charges was £3,067.48. This related to the sum of £2,291.28 in respect of routine maintenance and two invoices in the sums of £536.50 and £239.70 respectively in respect of call out charges. Copy invoices in relation to these sums numbered 134, 135, 136- 139 and 140 were included with the statutory accounts for this period in **RB2**.

67. The Applicants again accepted that some routine maintenance was necessary and offered 50% of the costs. However no sum was offered in respect of the call out charges which the Applicants claimed were unreasonable, citing delay in attending to the broken lifts.

68. Mr Latta's evidence remained that routine maintenance was necessary. As far as the call out charges were concerned Mr Latta submitted that misuse by the leaseholders and tenants was responsible for many of the call outs and drew the Tribunal's attention to the high proportion of rented flats in Blocks A and D.

69. On the basis of their knowledge and experience the Tribunal found that the sum claimed of £2,291.28 in respect of routine maintenance to be reasonable. The Tribunal also found the sums claimed in respect of call outs in the sums of £536.50 and £239.70 to be reasonable in the circumstances.

Management Fees

70. See paragraphs 41-51 above. The sum claimed was £16,437.04 and a copy invoices in relation to this sum were included in **RB2** numbered 76,77 and 79-81 with the accounts for this period. The Tribunal has already decided that the management fees for 2004 should be allowed at 90% of the sum claimed. It follows that 90% of the sum claimed in respect of management fees for the year ending 31 December 2005 is allowed in the sum of £14,793.00.

Year ending 31 December 2006

Electric Gates

71. The total revised cost claimed for this period was £1,038.28 and copy invoices numbered 231, 232 and 233 were included in **RB2** with the service charge accounts for this period.

72. The Tribunal heard that after a short period in January 2006 when the gates were operative again they failed before the end of January and had been inoperative since that date. The gates had therefore only worked for a matter of weeks. This was not disputed by the Respondent. It was also the Applicants' case that the Respondent should have taken action earlier to remedy the problem.

73. The Respondent commissioned a report on the gates in February 2006 by Dunlop Haywards Building Consultancy further to which a report was made dated 16 February 2006 (**RB2**). This report concluded that the design of the gates meant that they should be used on level ground and should not be used where, as in this case, there was a possibility of the gates coming into contact with the ground. It also concluded that the gates were not presently operating but if repaired and left to operate in the same manner the excess stresses would cause the gates to fail again.

74. Mr Latta accepted that the gates needed to be redesigned at the very least. It was his case however that the gates, although of flawed design, still required an element of maintenance and that the revised costs claimed were reasonable. He conceded that some element of the costs incurred were unreasonable in the light of the fact that the gates had been inoperative for almost the entirety of this period. However he submitted that the costs in relation to invoices numbered 231 and 233 were reasonable costs to incur as staff had been acting properly. Invoice numbered 231 related to a call out charge for the unjamming of the gates when the gates had become stuck in a semi open position. Invoice number 232 related to call out charges for the changing of codes which had been requested when the gates had been operating for a short period over the New Year. When the codes were actually changed pursuant to this call out the gates were once more broken which meant that this work was of no value to the leaseholders.

75. The Tribunal noted that the gates had been inoperative for most of the year. This one fact has had fundamental implications for the security of the estate and its residents. The Tribunal allowed the call out charge in relation to invoice number 231 as it determined that the staff had been acting properly as the gates could not be left in this position but disallowed the other call out charges contained within 232 on the basis that these were unnecessary in the light of the broken gates. It determined that 10% of the revised sum claimed in respect of the building services engineer in the sum of £50.60 be allowed making a total figure allowed of £244.48.

76. The Tribunal heard that the Applicants had been verbally assured that the costs of the report commissioned by Dunlop Haywards Building Consultancy would not be recovered by way of the service charge. The cost of the report did not appear in any of the service charge accounts before the Tribunal but for the avoidance of doubt the Tribunal considers that these costs should not be recoverable.

Gardening

77. The sum claimed in respect of gardening for this year was £1,094.43 and copy invoices numbered 171-174 were included with the accounts for the year in question in **RB2**.

78. On the basis of the evidence set out above in relation to this year the Tribunal adopted its finding for the preceding year of 50% being reasonable for the gardening which took place and the sum of £550.00 was therefore allowed.

Cleaning

79. See paragraphs 26-29 above. The total cost claimed in respect of cleaning for this period was £6,176.00 and was supported by copy invoices numbered 166-174 included with the accounts for this period in **RB2**. The Applicants' case again was that the cleaning had not been to a high standard and that 70% should be recovered. The Tribunal having already found the total sum claimed by the Respondent to be reasonable in the preceding years again allowed the total sum claimed of £6,176.40.

Window cleaning

80. The sum claimed in respect of window cleaning was £2,774.00 and copy invoices numbered 166-174 were included in **RB2** with the accounts for this period.

81. Again the Tribunal adopted the approach used in the preceding years in question in allowing 74% of the costs claimed as reasonable in the sum of £2,053.00.

Lift maintenance

82. The sum claimed in respect of lift maintenance for this period was £5,974.00 and copy invoices numbered 218-220 and 221 were included with the accounts for this period in **RB2**. The Tribunal heard that this was a budget sum in relation to both routine maintenance and call out charges.

83. The Applicants again offered 50% of the costs of routine maintenance and no costs in relation to call out charges.

84. The Tribunal accepted that routine maintenance was necessary and also that call outs may well be necessary during the course of the year and therefore allowed all of the costs as reasonable.

Management Fees

85. See paragraphs 41-51 above. The sum of £16,146.00 was claimed for this period and copy invoices numbered 177-179 were included in **RB2** with the accounts. The Tribunal has already decided that the management fees for the years ending 2004 and 2005 should be allowed at 90% of the sum claimed. It follows that 90% of the sum claimed in respect of management fees for the year ending 31 December 2006 is allowed in the sum of £14,531.00.

Costs

86. The Applicants made an application under Section 20(C) of the Act to limit the landlord's costs in the proceedings. However Mr Latta confirmed that the Second and Third Respondents did not intend to seek to recover any of their costs in connection with the application pursuant to the service charge provisions contained within the Lease and therefore the Tribunal made no order under section 20(C).

CHAIRMAN

DATE 21 January 2007

CROWN CLOSE
Winkfield Road, London N22

Service Charge Year Ending 31 December 2004

Invoice No	Item	Sum Claimed by L/L	Revised Sum Claim by L/L	Sum acceptable to T	Tribunal's Decision
		£	£	£	£
45, 46	Gates	352.50	352.50	35.25	352.50
47	Gates	376.00	-	-	-
48	Gates	272.83	272.83	27.28	272.83
49	Gates	455.00[1]	455.00	45.50	455.00
	Total	**1,456.33**	**1,080.33**	**108.03**	**1,080.33**
1--10 & 59A	Cleaning	6,020.00	6,020.00	4,214.00	6,020.00
53-56, 57	Rubbish Collection	526.79	526.79	-	132.00[2]
		640.49	640.49	-	160.00[2]
1-10 & 59A	Window cleaning	3,280.00[3]	2427.00	492.00	2,427.00
44	Lift	1,145.64	1,145.64	573.00	1,145.64
19	Management fees	8,278.97	8,278.97	4,139.00	7,451.00

[1] 20% of £2,274
[2] 25% of sum claimed
[3] 36% of £9,111.31

CROWN CLOSE
Winkfield Road, London
N22

Service Charge Year Ending 31 December 2005

Invoice No	Item	Sum Claimed by L/L	Revised Sum Claim by L/L	Sum acceptable to T	Tribunal's Decision
		£	£	£	£
141-149	Gates	1,049.00	1,049.00	104.90	104.90
150	Gates	376.00	376.00	-	-
151	Gates	282.00	282.00	-	-
152	Gates	282.00	282.00	282.00	282.00
153	Gates	258.50	258.50	258.50	258.50
154	Gates	407.73	407.73	-	-
155	Gates	506.00	[1] 506.00	50.60	50.60
	Total	**3,161.23**	**3,161.23**	**696.00**	**696.00**
66 & 68	Gardening	708.38	708.38	-	350.00[2]
59, 60, 62-70	Cleaning	5,291.40	5,291.40	3,704.00	5,291.40
59, 60, 62-70	Window Cleaning	2,468.52	1,827.00	370.00	1,827.00
134, 135, 136-139, 140	Lift	2,291.28	2,291.28	1,146.00	2,291.28
		536.50	536.50	-	536.50
		239.70	239.70	-	239.70
76, 77, 79-81	Management fees	16,437.04	16,437.04	8,219.00	14,793.00

[1] 20% of £2528.40
[2] 50% cost

CROWN CLOSE
Winkfield Road, London N22

Service Charge Year Ending 31 December 2006

Invoice No	Item	Sum Claimed by L/L	Revised Sum Claim by L/L	Sum acceptable to T	Tribunal's Decision
		£	£	£	£
231	Gates	1,453.00	193.88	-	193.88
232 & 233	Gates	-	338.40	-	-
	Gates	2,528.00	506.00	50.60	50.60
	Total	**3,981.00**	**1,038.28**	**50.60**	**244.48**
171-174	Gardening	1,094.43	1,094.43	250.00	550.00[1]
166-174	Cleaning	6,176.00	6,176.00	4,323.00	6,176.00
166-174	Window Cleaning	2,774.00	2,053.00	208.00 1,026.00	2,053.00
218-220, 221	Lift	5,974.00	5,974.00	2,440.00[2]	5974.00
177-179	Management Fees	16,146.00	16,146.00	8,073.00	14,531.00

[1] 50% cost
[2] £3660.74 divided by 9 x 12 divided by 2