LEASEHOLD VALUATION TRIBUNAL FOR THE SOUTHERN RENT ASSESSMENT PANEL

In the matter of Sections 20C and 27(A) of the Landlord and Tenant Act 1985 as amended and Section 24 of the Landlord and Tenant Act 1987

Tribunal: M J Greenleaves Chairman
K Lyons FRICS
J Mills

Re: 24 Warrior Square, St Leonards-on-Sea TN37 6BG "The Property"

Applicants "the Tenants"	Mrs A Yoxall	Flat 1
	Mr J McArdle	Flat 2
	Miss L Windsor	Flat 3
	Mr C Shimwell	Flat 5
	Mr E Holland	Rear Basement Flat

Respondent: "the Landlord" G & O Rents Limited

Introduction

1. On 19th April 2004 applications were made to the Tribunal by the Tenants in respect of 24 Warrior Square St Leonards-on-Sea (the Property) to determine issues arising between the parties as follows:

   1.1. Under Section 27A of the Landlord and Tenant Act 1985 ("the 1985 Act") whether service charges claimed by Urbanpoint Property Management Limited ("the Agent") on behalf of the Landlord were reasonable in respect of the accounting years 2000/01, 2001/02, 2002/3 and 2003/4

   1.2. For an Order under Section 24 of the Landlord and Tenant Act 1987 ("the 1987 Act") for the appointment of a manager in the place of the Agent

   1.3. For an Order under Section 20C of the 1985 Act that any costs incurred by the Landlord in respect of the proceedings before the Tribunal should not be regarded as relevant costs to be taken into account in determining the amount of service charge payable

Inspection

2. On 27th October 2004 the Tribunal inspected the Property in the presence of some of the Tenants and the Landlord's representatives.

3. The Property forms part of a Victorian terrace fronting on to the gardens of Warrior Square and within a short distance of the sea shore to the south. It comprises a substantial house with a rear flat-roofed extension, converted into 7 self-contained flats, including a basement flat. Subject to the matters specifically referred to below, it is in fair condition for its age and character. There is no off-street parking. There are gardens to the rear which are demised to one of the lessees

4. The Tribunal's inspection included Flats 1, 2 and 3 particularly as to damage from water ingress. The Tribunal was also able to have access on to one of the balconies as well as the meter room in the basement.

Hearing

5. On the same day the Tribunal held a hearing which was attended by Mr Yoxall (Mrs Yoxall's son), who represented the Tenants, together with Mrs Yoxall, Mr McArdle and Miss Windsor and also Mr Shields, the proposed Manager, all of whom gave evidence. The Landlord was represented by Dr Gossain, a Director of the Agent and Mr O'Dell, a Director of the Landlord and Mr Lewicki, the Landlord's surveyor, all three of whom gave evidence.

6. The Tribunal had had the benefit of reading substantial papers from both parties prior to the hearing.

7. In relation to the application concerning reasonableness of service charge, it was established that the issues were confined to those items set out in Appendix 5 to the Tenants' submissions. These may be summarised as follows

Item in issue	2000/01	2001/02	2002/03	2003/04
Insurance premium	2,316.35	2,680.48	3,518.12	2,316.20
Entryphone	157.59	160.12	163.48	167.73
Surveyor's fees			3,768.78	3,938.40
Major works				26,209.37
Management fee	940.00	822.50	822.50	822.50

8. In respect of those, the Tenants claimed the following reductions:

Item in issue	**2000/01**	**2001/02**	**2002/03**	**2003/04**
Insurance premium	1,116.35	1,476.55	2,318.12	1,135.73
Entryphone (4 years)	600.00			
Surveyor's fees (2 years)			3,208.40	
Major works				1,594.22
Management fee	940.00	822.50	822.50	822.50

9. In respect of the Tenants' claim for the appointment of a new Manager, Dr Gossain accepted that, if such an appointment was decided upon by the Tribunal, Mr Shields would be acceptable to the Landlord.

10. **Evidence for the Tenants**.

10.1. **Mr Yoxall gave evidence** and also took the Tribunal through the written statements of Mr Holland, Mrs Yoxall, Miss Windsor and Mr McArdle. **Miss Windsor also gave evidence** about the problems she had faced: water penetration that had occurred over the lounge front bay window of her flat since 1998, the cosmetic work she had carried out and the problems she had because the south wall had not been painted.

10.2. The general tenor of all the Tenants' evidence was that there had been problems with damp and water ingress since 1998. Other problems had arisen from time to time relating to the management, or, as the tenants would put it, lack of management, such as broken locks, clogged

drains, unsatisfactory lighting and cleaning, lack of maintenance and/or replacement of the entryphone. The problems had been compounded, the Tenants said, by the failure of the Agent to deal with these issues promptly or at all and the difficulty in making contact with the Agent, whose offices were in New Malden, Surrey – some distance away. Many telephone calls to the Agent had meant having to leave answerphone messages which had not been dealt with. Work which had been done had largely only occurred because the Tenants had had to obtain tenders themselves.

10.3. It was not until 2001 when a Schedule of Works was prepared by Mr Lewicki that the Tenants felt there was any significant activity by the Agent. Those works had gone out to tender and after consultation with the Tenants, who had instructed solicitors at their own expense, had been reduced in extent and cost. But the cost they had agreed with the Agent had, in the event, been exceeded; the work done (the "Major Works") had been unduly delayed and not done to a reasonable standard; and some work – the south wall of the extension – which should have been included had not been done.

10.4. While the Major Works were in the preparation stage by the Landlord, more water damage had occurred. The Tenants had obtained an estimate for repairs costing £7000/8000 which they had passed on to the Landlord. No comment had come back and that had led them to expect costs of that sort of level.

10.5. The costs of the Major Works had been agreed with the Agent in May 2002 at £21,753 but had been exceeded. The Tenants had had to agree the increase to get the delayed work done. Mr Lewicki's fees had been based on works of £66,000 priced to include an abortive grant claim, and were disproportionate to the actual cost of the Major Works. Further the Agent had not dealt properly with the grant application.

10.6. Quality of the Major Works. The work had commenced on 8th October 2003 and the Tenants believe that it was not of good quality; It was alleged there was only one coat of paint on the railings to the basement; paint was peeling off on the steps to the front door; the back of downpipes had not been painted; the south wall had not been done; the electric meter room is a "tip" and is open to the public.

10.7. The Landlord was required under the terms of the lease to redecorate at least once in every 5 years. This should have been done by 2001 but only took place in 2003.

10.8. An electrical certificate issued in October 2004 indicated there were issues to be resolved.

10.9. Insurance. The Tenants also had issues about whether there was buildings insurance cover for a substantial period in 2002/3, the reasonableness of premiums payable and about the level of commissions receivable by the Landlord/Agent; indeed whether the commissions receivable resulted in the landlord claiming inflated premiums from the Tenants. The Tenants had failed to get replies for a long time from the Agent about whether the property was insured and it was not until 2004 that Mr O'Dell investigated, resulting in the offer of a refund of £1,500. They also considered that the premium level might be affected by the

Landlord's claims experience on the block policy covering other properties too.

10.10. The entryphone. It is not in very good working order. Mr Yoxall believed there was a maintenance agreement but that no maintenance takes place.

10.11. In respect of documents the Landlord had filed shortly before the hearing and which he had not previously seen, the Tribunal adjourned the hearing to give Mr Yoxall time to consider them. He wished to proceed. By reference to document 183, Mr Yoxall said that it did not deal with unanswered calls and he did not accept that the record produced was a true history of management; that if paragraph 2 was the only evidence the Agent acted quickly, it was insufficient; that in respect of Paragraph 3 Miss Windsor had herself brought Rentokil in to obtain quotes and sent them to the Agent.

11. **Evidence for the Landlord and Agent**.

11.1. Dr Gossain confirmed that if a Manager was to be appointed by the Tribunal, the Landlord did not object to the appointment of Mr Shields.

11.2. **Dr Gossain gave evidence** as follows:

11.3. Insurance premium. In the light of the letter from Genavco to the Landlord dated 6th September 2004 that there was evidence of overcharging, the Landlord had offered a refund of £1,500 but this had been refused.

11.4. Management fees. These had been calculated in recent years as £100 + VAT per flat; they were reasonable for the area and had not been increased since 1993. The Agent had done a lot of work in the management of the Property: in support he referred to the Agent's Property Diary Entries ("the Diary") record dated 7th September 2004 covering the period 9th March 2000 to 23rd August 2004; to the summary of R A Filby and Associates of 16th April 1996 concerning substantial work done at that time; to Eldridge Brothers account of 4th February 1997 concerning work done then; that in March 2001 they were instructing Mr Lewicki to inspect to prepare a schedule identifying works to be done in the next five years. Dr Gossain could not explain the reason for higher fees being charged in 2000/01 than in subsequent years

11.5. Major Works. Dr Gossain recounted the history of the work. While he had agreed costs with the Tenants in May 2003, the builder had subsequently required a 10% increase to proceed and he had informed Mrs Yoxall. The Section 20 notice of 12th June 2003 reflects that increase. He had re-negotiated Mr Lewicki's fees to £5,629.58

11.6. Entryphone. There was a rental agreement for supply of the equipment and a call out facility for repairs was placed with a firm in Brighton.

11.7. They had continued to provide services although there is a deficit in the service charge fund.

11.8. **Mr Lewicki of ALSS gave evidence**:

11.9. He had carried out a survey on 25th April 2001 to prepare a schedule of work. The south wall had not been mentioned. It had never been painted previously nor, as far as he was aware, had work been done to it. As the specification included only those areas which had previously been painted it was not included in the specification. It had not been possible to prepare a full specification as one could not tell from ground level what high level work might be needed until scaffolding was erected.

11.10. He had been involved in a local authority grant application, which had involved agreeing works with the conservation officer. The Council needed a site plan and drawings. His work had been abortive as the Tenants didn't want the grant-aided work done in the end. Even if the grant had been given the total cost to Tenants of the works required by the local authority would have exceeded the cost of the Major Works finally undertaken. He disagreed that the Tenants had not been kept informed – he had replied to all their letters. He denied that there had been any undue delay in the carrying out of his work and the conduct of the Major Works except that he had imposed a time penalty on the contractor. He had supervised the work. Although he is based in the Midlands, he spends three days per week in London so was able to do so.

11.11. The Major Works were complete and satisfactory. He had certified practical completion which meant that the outstanding work was minimal and wouldn't significantly affect the use of the Property. The steps had been omitted as it would have been difficult to do those repairs.

11.12. Electrical repairs. He had a report that the work required had been completed satisfactorily.

11.13. His fees. He considered them to be reasonable – indeed for the work done, he had actually made a loss.

11.14. PaulCroft, a local builder, had been to the property on a number of occasions before the Major Works were done. He had made suggestions for carrying out temporary repairs by attempting to line the rainwater pipe with bituminous material but Mr Lewicki did not consider that the temporary works were appropriate. However the cause of the water ingress was finally traced to an internal gutter within the structure and its condition could not be ascertained earlier without scaffolding.

11.15. In reply to Mr Yoxall, Dr Gossain said that the Directors of the Landlord are Mr O'Dell and Mrs Gossain; Dr Gossain himself is not a Director of that company and has no part in its day to day running. The Section 20 notice had been correct; the Major Works had been done to the relevant standard; he endorsed what Mr Lewicki said about the south wall; Mr Lewicki's fees were not included in the specification. Concerning insurance he said that the issue had been dealt with when it was brought to his notice. He accepted that it would be to the Landlord's advantage to increase premiums to increase commission but that was not its intention.

11.16. Prior to the Major Works they had changed surveyor because Mr Filby, the previous surveyor, had retired; they had not carried out minor works as this would not have resolved the problem.

In reply to the Tribunal, Dr Gossain said that the Landlord wished to charge its Tribunal costs to service charge; that there are no entries in the diary for inspection and the Property had not been inspected by the Agent itself

between March 2000 and June 2004 despite reports from the Tenants: he himself had only inspected earlier in 2000; for a time they had had no surveyor. He explained that the Landlord and Agent occupy the same building and that with 12 staff they manage 280 buildings constituting about 2500/2800 units. The Agent is not a member of any association; the staff have relevant experience but are not qualified; they manage property for other landlords as well as the Landlord, including properties in Essex, Kent, Greater London and further afield.

11.17. **Mr O'Dell gave evidence**:

11.18. Insurance. He confirmed the offer of £1,500 refund in the light of the Genavco letter. The premium relating to the Property is part of an overall block policy premium and no breakdown is available, but different premiums are paid on different properties; the Property had not been loaded because of any claims on other properties covered by the same policy.

11.19. **Mr Shields** confirmed to the Tribunal his professional qualification and membership of ARMA, that he has 6 staff involved in lettings (about 300 units) and management (about 250 units including those at 69 Church Road). He had been running the company for 23 years and has indemnity cover of £500,000.

Consideration

12. The Tribunal considered all the documents received and all the evidence given on behalf of both parties, including the evidence referred to above, and the submissions of their representatives.

13. **The Law.** For the purposes of the Tribunal's consideration the relevant provisions are as follows:

13.1. **Service charges.** By Section 19(1) of the 1985 Act "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 reasonable and (b).....only if the services or works are of a reasonable standard and the amount payable shall be limited accordingly"

13.2. **Cost of proceedings.** Section 20C(3) provides that the "tribunal..... may make such order on the application as it considers just and equitable in the circumstances"

13.3. **Appointment of a Manager**. By Section 24 of the 1987 Act, the tribunal "may by order appoint a manager to carry out...(a) such functions in connection with the management of the premises... as the tribunal thinks fit. Section 24(2) provides, in terms, that the tribunal may only make an order under this section in the following circumstances (paraphrasing the Act), where the tribunal is satisfied that

(a) Any relevant person either is in breach of any obligation by him to the tenant under his tenancy and relating to the management of the premises in question or any part

(b) Unreasonable service charges have been made, or are proposed or likely to be made

(c) Any person has failed to comply with any relevant provision of a code of practice approved by the Secretary of State

(d) Where the court is satisfied that other circumstances exist

and, in any of those cases that it is just and convenient to make the order in all the circumstances of the case.

Section 24(2A) provides that a service charge shall be taken to be unreasonable

(a) if the amount is unreasonable having regard to the items for which it is payable,

(b)if the items for which it is payable are of an unnecessarily high standard, or

(c) if the items for which it is payable are of an insufficient standard with the result that additional service charges are or may be incurred

14. **The Lease**. The Tribunal had a copy of the lease (the lease) of Flat 1 it being understood that all the leases were in similar terms.

14.1. From the lease of Flat 1, the provisions relevant to the issues were the Landlord's covenants contained in The Fourth Schedule including:

14.1.1. "to keep in good and substantial repair and condition:- (a) the roofs and outside wall and foundations and structure gutters and rainpipes chimneys stacks of the Building and all pipes sewers drains cables and wires in under or upon the Building serving the flat in common with other parts of the Building (b) the passages landings and staircases in the Building retained by the Landlords (c) the boundary walls or fences of the Building"

14.1.2. "as often as shall be reasonably necessary and in any case at least once in every five years of the Term to paint all outside surfaces of the Building usually painted"

14.1.3. "...to insure and keep insured the Building....."

14.2. Relevant provisions in the Sixth Schedule are:

14.2.1. "The maintenance charge payable by the Tenant shall be the yearly sum in respect of each year ending on 25th March equal to one-seventh of the total of the following:

14.2.2. "the costs of the Landlord of complying with his covenants in the... Fourth Schedule including the employment of contractors"

14.2.3. " the fees and disbursements paid to any managing agents for the management of the Building and provision of services therein"

14.2.4. "the costs (including the costs of the landlord's auditor) of ascertainment of the maintenance charge and the keeping of any necessary books of account"

14.2.5. "a contribution fixed annually by the Landlord to provide a reserve fund to cover accruing and anticipated expenditure in respect of the compliance by the Landlord with his said covenants"

15. Management Charge.

15.1. The Tribunal accepted the evidence on behalf of the Tenants that they had faced considerable frustrations over some years in getting problems attended to by the Agent. On many occasions work had only been carried out because the Tenants had had to instigate it themselves. The Agent's Diary did not show visits to the Property by the Agent and, on Dr Gossain's admission, there had been none for over three years covered by that Diary. The Tribunal accepts that the Agent had authorised work during that and other periods, but considers that in the light of communications actually made by the Tenants, the Agent ought reasonably to be expected to have visited the Property to obtain a firsthand knowledge of it and its problems. The failure to inspect probably arose because of the distance involved. The effect of the failure to respond to many reports and carry out a proper investigation about water ingress was that the Tenants' flats had sustained prolonged damage to the interiors and decorations. The Tenants had found that they were not able to recover the cost of this damage from insurance because it was caused by lack of maintenance and a considerable period had elapsed since the damage first occurred

15.2. The RICS Management Code (as approved by the Secretary of State) provides at paragraph 4.12 that the manager should be available to (a) be contacted by telephone during normal working hours;(b) meet ....Tenants; and (c) inspect property at reasonable intervals. The Tribunal finds that the Agent failed substantially to comply with those provisions over some years.

15.3. The Tenants in effect ask the Tribunal to find that the Agent has carried out no or so little management that it should not be entitled to any fees for the four years in question. The Tribunal does not go that far. It is plain on the evidence that the Agent has kept proper accounts and, albeit perhaps late or at the instigation of tenants, arranged for work to be done. The Agent has arranged for the property to be insured. The Tribunal finds that Agents' fees are payable in respect of the four years to the extent set out below.

16. **Surveyor's fees.**

The Tribunal broadly accepts the evidence of Mr Lewicki, save as mentioned below, and finds that his involvement with the work at the Property was conducted in a professional manner, without undue delay and without the locality of his office causing any significant increase in cost. The Tribunal accepts his evidence that he has made a loss on his fees as against the work done; that he is entitled to charge for work done, whether or not abortive. The Tribunal finds that although his fees may have been calculated against the original costs, they are nevertheless still commensurate with the final contract price for the Major Works and the work actually involved. The fees shown in the Agent's accounts for the years 2002/03 and 2003/04 were £7.708.18, but £5,629 + VAT i.e. £6,614.08 had actually been agreed with Dr Gossain (see above) but not yet credited to the service charge account, a difference of £1,094.10. The Tribunal finds that the reasonable fees are, as agreed between Urbanpoint and ALSS, £6,614.08

17. **The Major Works.**

17.1. The South wall. It was apparent on inspection that this wall had never been painted. It was also apparent that it had not caused a problem: there was no evidence of ingress of water or dampness nor of structural failure. The Tribunal finds that the specification did not, and did not need to, include the south wall. The Landlord's covenants do not require it to be done as it is in good and substantial condition and is not an outside surface "usually painted".

17.2. Notwithstanding Mr Lewicki's evidence, the Tribunal finds that the works as a whole have not been carried out to a reasonable standard. The Tribunal noted the downpipes had not been fully painted. The Tribunal noted also that the painting of masonry and brickwork was already beginning to flake off. From the Tribunal's knowledge it would be reasonable to expect external painting in this locality on the front elevation to be necessary every three years and that it should last for at least two years before showing evidence of deterioration and for 4-5 years on the rear elevation. The contract work ended only about 6 months prior to the Tribunal's inspection. Accordingly the Tribunal reduces the maintenance charge in respect of the Major Works as mentioned below.

18. **Entryphone.**

The Tenants seek a reduction in the charges for the entryphone of almost the entire charge over four years. The Tribunal does not accept that that is appropriate. The charge must be reasonable. That does not mean that the cheapest option must necessarily be taken. The Tribunal finds that the charge refers to a rental agreement, is reasonable and that the service has been provided to a reasonable standard.

19. Insurance premiums.

19.1. The Tribunal noted Genavco's letter dated 6th September 2004 suggesting evidence of over-charging in 2001/02 of about £400 and in 2002/03 of about £1,100 and that the Landlord had therefore offered those reductions. It also noted the premium "indications" provided by Sutton Winston in their letter of 12th July 2004 and further the comparable quotations obtained by the Tenants from Aon and Hanover Park, brokers. It noted that a number of those Aon quotations relate to 33 Warrior Square, a property of which the Tribunal has no knowledge about its nature or value. However the Tribunal also notes that Hanover Park's letter of 16th June 2004 states that insurers have offered a premium for the Property of £1,128 (apart from terrorism premium). This figure is comparable and from the Landlord's former brokers for the Property.

19.2. The Tribunal also took into account its own knowledge of the insurance market over the years in question. The Tribunal considered that the "indications" were too vague as evidence. Overall the Tribunal considers that the reductions offered for the two years mentioned are appropriate, that there should be no reduction for 2000/01, but a reduction of £700 for 2003/04

19.3. The Tribunal considered the question of insurance commissions raised by the Tenants. There was no evidence before the Tribunal that the commission rates were other than usual. The Tribunal found that the rates were reasonable and did not accept that the Agent/Landlord was

motivated in any way by the level of commissions in conducting the insurance aspect of management.

Decision

20. The Tribunal accordingly finds:

21. **Service charges**.

21.1. The management fee for each of the four years in question shall be reduced to £587.50 including VAT.

21.2. The entryphone charges for all years in question are reasonable and no reduction is to be made.

21.3. Surveyor's fees limited to £3,307.04 in each of the two years 2002/03 and 2003/04.

21.4. Major Works. For the reasons given, the Tribunal considers the costs should be reduced by the sum of £1,594.22.

21.5. Insurance premiums. These will be reduced by the sum of £400 in 2001/02, £1,100 in 2002/03 and £700 in 2003/04.

22. **Appointment of Manager**.

22.1. For the reasons given above, the Tribunal is satisfied under Section 24 that an order for the appointment of a manager should be made on the grounds of (a) breaches of obligation to repair and redecorate, (b) unreasonable service charges having been made and (c) failure to comply with the relevant code of practice and it being just and convenient to make the order in all the circumstances.

22.2. Accordingly James David Anthony Shields is appointed manager of the Property with effect from 1st January 2005 on the full terms set out in the Appendix to this decision.

23. **Costs**. The Tribunal found, for the reasons given above, that the applications to the tribunal were justified and necessary. It would therefore negate the applications if the Tenants were, through service charge, to pay the Landlord's costs of the proceedings including the Agent's costs. The Tribunal accordingly, finding that it is just and equitable so to do, orders under Section 20C of the 1985 Act, that the Landlord's costs, including the costs of the Agent, of and incidental to the proceedings before the Tribunal shall not be regarded as relevant costs to be taken into account in determining the amount of any service charge payable in respect of the Property.

24. **Application fee**. The Tribunal makes no order under paragraph 9(1) of the Leasehold Valuation Tribunals (Fees)(England) Regulations 2003 for reimbursement of application fees.

Dated 6th December 2004

Signed

M J Greenleaves
Chairman

APPENDIX

LEASEHOLD VALUATION TRIBUNAL FOR THE SOUTHERN RENT ASSESSMENT PANEL

In the matter of Sections 20C and 27(A) of the Landlord and Tenant Act 1985 as amended and Section 24 of the Landlord and Tenant Act 1987

Tribunal:	M J Greenleaves	Chairman
	K Lyons FRICS	
	J Mills	
Applicants "the Tenants"	Mrs A Yoxall	Flat 1
	Mr J McArdle	Flat 2
	Miss L Windsor	Flat 3
	Mr C Shimwell	Flat 5
	Mr E Holland	Rear Basement Flat
Respondent: "the Landlord"	G & O Rents Limited	

Re 24 Warrior Gardens, St Leonards-on-Sea, East Sussex

IT IS HEREBY ORDERED that:-

James David Anthony Shields of Drawflight Estates be appointed manager and receiver of the property with effect from 1st January 2005.

1. He shall manage the property in accordance with:-

(a) The respective obligations of the Landlord and the Tenants under the various leases by which the flats at the property are demised and in particular, but without prejudice to the generality of the foregoing, with regard to the repair, decoration, provision of services to and insurance of the property and

(b) The duties of a manager set out in the Service Charge Residential Management Code ("the Code") published by the Royal Institution of Chartered Surveyors and approved by the Secretary of State pursuant to Section 87 of the Leasehold Reform, Housing and Urban Development Act 1993.

2. He shall receive all sums whether by way of ground rent, insurance premiums, payment of service charges or otherwise arising under the said leases and shall pay such sums into a separate bank account.

3. He shall account to the Freeholder for the time being of the property for the payments of ground rent received by him and shall apply the remaining amounts received by him (other than those representing the fees of the managing agent) in the performance of the Landlords' covenants contained in the leases.

4. He shall be entitled to management fees (all exclusive of VAT), as follows:-

(a) an annual fee of £770 exclusive of VAT for all standard services set out in his "freehold management agreement" reviewable annually on the anniversary of his appointment according to the increase in the Retail Prices Index last published in the preceding month as against that published in the month 12 months earlier

(b) in addition, 5% of the cost of any works or services where it is necessary to invoke the Section 20 procedure, and

(c) for any work falling outside the scope of sub paragraphs (a) and (b) above, fees based on an hourly rate (£50 for a director, £35 for an associate, £25 for a clerk/secretary, all exclusive of VAT).

5. He shall forthwith arrange and maintain professional indemnity insurance cover in the sum of £500,000 and will within 28 days of the date of this order provide to the Tribunal written evidence that he has complied with the provisions.

6. This order shall remain in force until varied or revoked by further order of the Tribunal.

7. The Applicants and the Landlord shall each have liberty to apply to the Tribunal for further directions.

Dated 6th December 2004

Signed

M J Greenleaves

Chairman