

**EASTERN RENT ASSESSMENT PANEL
LEASEHOLD VALUATION TRIBUNAL**

CAM/22UN/LSC/2005/045

**DECISION OF THE LEASEHOLD VALUATION TRIBUNAL ON AN
APPLICATION UNDER SECTIONS 20C and 27A LANDLORD AND
TENANT ACT 1985.**

Applicant: David Michael Jones

**Respondent: (1) David Anthony Edward Blacknall
(2) Gillian Blacknall**

**Property: Flat 7, The Grand, 6 The Esplanade, Frinton-on-Sea
Essex CO13 9DS**

Date of Application: 12 August 2005

Date of Hearing: 20 July 2006

**Venue: The Tower Hotel, Main Road, Dovercourt, Harwich, Essex
CO12 3PJ**

**Appearances for
Applicant: Mr David Jones**

**Appearances for
Respondent: None**

Also in Attendance: None

**Members of the Tribunal: Mr John Hewitt Chairman
Mr Peter Tunley**

Date of Decision: 27 July 2006

DECISION

Decision

1. The decision of the Tribunal is that:
 - 1.1 The service charges payable by the Applicant to the Respondents in respect of service charges payable pursuant to the lease of the Property for the periods:

1 April 2003 to 31 March 2004

1 April 2004 to 17 August 2004, and

18 August 2004 to 17 August 2005

are as set out in Column 6 of Appendices 1, 2 and 3 annexed hereto.

- 1.2 The Applicant shall by **4pm Friday 11 August 2006** file with the Tribunal and serve on the Respondents a cash account showing, in respect of each period specified above:-
 1. the sums payable by way of service charges as per Appendices 1, 2 and 3 hereto,
 2. the sums paid by the Applicant on account of service charges for the periods in question, and
 3. the balance due/credit repayable as the case may be.
- 1.3 The Respondents shall by **4pm Friday 25 August 2006** file with the Tribunal and serve on the Applicant a statement of case in answer to the cash account served by Applicant and shall set out clearly what items, if any, are challenged by them and why. The Respondents shall attach to the statement of case copies of all and any documents they wish to rely upon in support of their case.
- 1.4 The Applicant shall by **4pm Friday 1 September 2006** file with the Tribunal and serve on the Respondents a statement of case in reply, if so advised. The Applicant shall attach to the statement of case copies of all and any documents he wishes to rely upon in support of his case.
- 1.5 The Tribunal shall determine the cash account after 4 September 2006 without a hearing in accordance with regulation 13 of the Leasehold Valuation Tribunals (Procedure) (England) Regulations 2003. The text of regulation 13 is set out in Appendix 4 hereto for the convenience of the parties.
- 1.6 The Tribunal shall determine and settle the cash account on the basis of written representations filed and served in accordance with the directions set out above. At any time before the cash account is so determined either party may make a request to the Tribunal for a hearing.
- 1.7 An order shall be made (and is hereby made) pursuant to s20C Landlord and Tenant Act 1985 (the Act) to the effect that no costs

incurred by the Respondents in connection with these proceedings shall be regarded as relevant costs to be taken into account in determining the amount of any service charge payable by the Applicant to the Respondents, or either of them.

- 1.8 The Respondents (jointly and severally) shall by **4pm Friday 25 August 2006** reimburse the Applicant the sum of £250 in respect of fees paid by him to the Tribunal in connection with these proceedings.

2. The findings of the Tribunal and the reasons for its decisions are set out below.

Background

3. The Applicant is one of two joint lessees of the Property. The Property is a self-contained flat within a development known as The Grand, a former Victorian hotel, set in a commanding position overlooking the sea front at Frinton. In or around 2000 development was undertaken to convert The Grand into 20 self-contained flats particularly adapted and suitable for senior citizens. At about the same time land to the rear of the main building was used to construct 9 new purpose built flats, known as Grand Court. At that time the freehold interest was held under one title registered at the Land Registry. At some time in 2001/2 a transfer of part was executed in favour of the Respondents in respect of Grand Court; and thus the Respondents became the landlord of Grand Court. In August 2003 the freehold of The Grand was transferred to the Respondents and thus the Respondents became the landlord of The Grand. In July 2004 the freehold of the Grand was transferred by the Respondents into the sole name of the Second Respondent (Mrs Blacknall), who is the wife of the First Respondent (Mr Blacknall). At all material times the Respondents appointed managing agents, Casquets Property Management Services Limited (Casquets), a company evidently controlled by Mrs Blacknall and two sons of Mr & Mrs Blacknall namely, Ashley Lloyd Jonathan Blacknall and David Alexander Reece Blacknall. Casquets subsequently awarded a contract to Mr Blacknall to manage its properties in southern England, including The Grand and Grand Court.

4. The service charge regimes for The Grand and Grand Court are quite separate. At all material times the person with day to day responsibility for the management seems to be Mr Blacknall.
5. The lease of the Property provides for the landlord to insure the building and to provide services and for the lessee to contribute to the costs incurred by way of a service charge within the meaning of s18 of the Act. S19 of the Act limits the amount payable by way of service charges to those sums reasonably incurred and only if the services or works are of a reasonable standard. Where there is a dispute between landlord and tenant as the amount payable by way of service charges either party may an application (pursuant to s27A of the Act) to a leasehold valuation tribunal for a determination whether a service charge is payable and, if it is, as to:-
 - (a) the person by whom it is payable,
 - (b) the person to whom it is payable,
 - (c) the amount which is payable,
 - (d) the date at or by which it is payable, and
 - (e) the manner in which it is payable.
6. This is the second application made by the Applicant in relation to service charges payable in respect of the Property. The first application (Case Ref:CAM/22UN/LSC/2004/0037) considered and determined the amount payable in respect of management fees for the service charge year 1 April 2003 to 31 March 2004. The first application was heard on 21 October 2004 and the decision is dated 16 December 2004. That decision (the First Decision) is relevant to these proceedings and should be read with this decision.
7. The First Decision sets out the background and relevant provisions of the lease of the Property so that it is not necessary to repeat them in this decision.
8. Mr Blacknall has had some involvement in or responsibility for the management of The Grand and Grand Court for some while, having been employed or retained by the previous freeholder in August 2002. When in

August 2003 the freehold of The Grand was transferred to the Respondents, Mr Blacknall was conversant with the accounting procedures. Mr Blacknall appears to have some accounting expertise and his notepaper states that he is a member of The Institute of Company Accountants in Public Practice.

9. For the purposes of the service charge regime, the lease provides that the expression, '*the Lessor's financial year*' shall mean '*such annual period as the Lessor may in its absolute discretion from time to time determine as being that in which the accounts of the Lessor either generally or relating to the Buildings and the Estate shall be made up.*' Historically the accounts for The Grand had been made up for the year 1 April to the following 31 March and that is what the Respondents inherited when they purchased the freehold.
10. The first application was concerned solely with the management charge in the accounts for the year 1 April 2003 to 31 March 2004 (2003/4). Mr Blacknall had prepared the budget for this period and also had the accounts drawn up for this period. The accounts were not available to the Tribunal which heard the first application on 21 October 2004; evidently the books and papers were at the auditors to be checked and certified. The tribunal proceeded on the basis of a spreadsheet prepared by Mr Blacknall for the year 2003/4 which showed the budget (and by way of comparison the actual claimed expenditure) and which formed the basis on which the accounts were drawn up and submitted to the auditors. It was not necessary for the previous tribunal to have before it the full accounts as signed off because the only issue for it to determine was the reasonableness, or otherwise, of the management fee claimed at £5,000 for the year.
11. The current application was received by the Tribunal on 12 August 2005. The Applicant complained that the Respondents had not issued accounts for 2003/4 and for 2004/5. Clause 3.2 (b) of the lease obliges the landlord to ascertain and have certified (by an auditor or an accountant) the service charge accounts as soon after the financial year as may be practicable. Clause 3.2(e) requires that the certificate referred to in sub-clause (b) shall contain a summary of the relevant details and figures forming the basis of the service charge and the certificate shall

(save in case of manifest error) be conclusive evidence of the matters which it purports to certify.

12. Directions were given on 8 September 2005 which required the Respondents to serve on the Applicant the service charge accounts and certificates for the years 2003/4 and 2004/5. The Respondents have not done so. In a letter to the Tribunal dated 3 October 2005 Mr Blacknall stated that the 'Lessor's financial year was now 18 August to 18 August to coincide with the date of the Respondents' purchase of the freehold of The Grand. Enclosed with the letter were:

- 12.1 Certified accounts for the year ended 31 March 2004 – certified by P N Beare & Co, Chartered Certified Accountants, 27 September 2005.
- 12.2 Certified accounts for the year ended 18 August 2004 – certified by P N Beare & Co 23 November 2004 and 27 September 2005
- 12.3 Certified accounts for the year ended 18 August 2005 – certified by P N Beare & Co 20 September 2005
- 12.4 A budget for the year ended 18 August 2006.

Contrary to directions there was not attached to the accounts any supporting invoices, vouchers or receipts that the Respondents wished to rely upon in support of their case that expenditure claimed was expended, was reasonably incurred, was reasonable in amount and is payable by the Applicant.

Mr Blacknall made an application to vary the directions and the application was refused.

13. The Applicant served his statement of case on 3 November 2005 and set out in some detail the items of expenditure challenged by him. In reply Mr Blacknall wrote a letter dated 29 November (received 6 December) 2005 to state that accounts had been prepared for the year ending 18 August 2004, year ending 18 August 2005 and supplementary accounts to 31 March 2005. It was asserted that the accounts were fully supported by receipts and other documents which the Applicant was free to inspect in the House Manager's office by prior appointment. On 19 December 2005 a letter was written to the Respondents by the Tribunal in which it was made clear that the Tribunal expected, prior to the hearing, that they will have provided to the Applicant,

in respect of the expenditure challenged by him, copies of all supporting vouchers, invoices or other documents they wished to rely upon in support of their case that the expenditure was incurred, was reasonably incurred, is reasonable in amount and is payable by the lessees. (Mr Jones told us, and we accept that no such copy documents have ever been provided to him directly by the Respondents.)

14. The hearing was adjourned because a majority of lessees had exercised the right to manage and negotiations were in hand relating to the handover of management and evidently it was hoped that these negotiations might also resolve the issues on prior year service charge accounts. In the event these matters were not resolved. By letters dated 7 June 2006 the parties were notified that the hearing would take place on 20 July 2006. By letter dated 12 July 2006 to the Tribunal Mr Blacknall raised some issues and stated that he was unable to attend the hearing but that the management company which carries out the service charges function proposes to make written representations to the hearing. By letter dated 11 July (but received 18 July) 2006 sent to the Tribunal by Mr D A Routledge, said to be a director of Casquets, it was stated the management had been passed to the lessees RTM company as from 18 May 2006 and it was said there was complete agreement on financial matters and that neither Casquets nor Mr Blacknall had any outstanding issues to resolve by way of a tribunal hearing. The letter ended by stating that *'...would confirm that we have no further representations to offer at a further hearing.'*

Having first checked with the Applicant, the Tribunal office sent a fax to Mr Routledge at Casquets (Mr & Mrs Blacknall and Casquets) share the same address) on 19 July 2006 informing him that the Applicant stated that he had not resolved the historic service charge issues as between himself and the Respondents and that the hearing would go ahead to determine these issues.

15. On 20 July 2006 the Tribunal inspected The Grand. The Applicant showed us around and pointed out the physical layout of The Grand and Grand Court.

16. The hearing was held at 11:00 Thursday 20 July 2006. The Applicant attended and represented himself. The Respondents were neither present nor represented but they had been notified of the arrangements for the inspection and the hearing. In the light of the foregoing the Tribunal decided that it was appropriate to proceed in the absence of the Respondents.

The Case for the Applicant

Financial Year

17. Mr Jones told us that the Respondents had not served any statement of case or supporting papers on him. From time to time Mr Blacknall had provided spreadsheets showing budgets and claimed actual expenditure for various periods. Mr Jones said that he had also been allowed to inspect the accounts and records kept in the House Manager's office. He said they were not in good or neat order. He said his task was to try to match the vouchers and invoices against the heads of expenditure in the accounts. In some instances this was straightforward he said, but some invoices were plainly missing and some were so vague as to be virtually meaningless and thus impossible to allocate with certainty. Mr Jones told us that from spreadsheets provided by Mr Blacknall he was able to review the accounts in respect of the following periods:

1 April 2003 to 31 March 2004

1 April 2004 to 17 August 2004

18 August 2004 to 17 August 2005

Mr Jones said he was not prejudiced in doing so. Mr Jones told us that some time prior to 1 April 2004 Mr Blacknall had prepared a budget for the year 2004/5. By an invoice dated 18 March 2004 Casquets invoiced for a 50% payment on account based on that budget (and also for a balancing payment claimed in respect of the year ended 31 March 2004). On 25 September 2005 Casquets invoiced the second 50% on account payment for the year 2004/5.

Mr Jones said that at no time has he received a formal notice under the lease that the landlord wished to change the financial year for service charge purposes.

18. Mr Blacknall has never informed the Tribunal when the decision was taken to change the financial year, when and how lessees were notified of the change and the nature of interim arrangements and accounting procedures necessary to change from one period to another.

In respect of the financial year point taken by Mr Blacknall, the Tribunal decided that where, as here, the lease entitled a landlord to change the financial year from time to time, that is something which may be done going forward, and we would usually expect reasonable prior notice to lessees and, where appropriate, revised budgets and interim arrangements. We also accept that where a change is made in an accounting year a new period may be more or less than 12 months on an interim basis in order to accommodate the desired change. We find that it is not open to a landlord to retrospectively change a financial year, still less where accounts have been certified and issued in accordance with a lease regime and certainly not where in tribunal proceedings a landlord has produced accounts for a certain period, has relied upon them and a determination has been made in respect of an item of expenditure in them. Accordingly we believe we would be fully justified in rejecting the Respondent's assertions that the financial year has been changed going back and is now 18 August to 17 August with effect from 18 August 2003. We are entitled to find that, as yet, there has been no lawful change from the financial year 1 April to 31 March. That said we note that Mr Jones told us that he has been able to review the service charge accounts and vouchers in respect of the following periods:

1 April 2003 to 31 March 2004

1 April 2004 to 17 August 2004

18 August 2004 to 17 August 2005

and that he has not been prejudiced. Accordingly and in order to make progress with this application and to resolve the matters in issue we have decided to make a determination on the basis of these periods which we believe goes a fair way to what the Respondents contend for.

The Issues

19. Mr Jones gave his evidence in a methodical and measured way. We found he was doing his best to assist us without exaggeration or bias. We found him to be an honest and helpful witness and we accept his evidence

Mr Jones told us of his careful review of the vouchers and invoices made available for his inspection on or about 3 November 2005. From this piece of work Mr Jones said that he was able to prepare his statement of case. He was also able to prepare three spreadsheets on which he recorded his findings. We have annotated copies of those spreadsheets identifying the adjustments we find it appropriate to make to ascertain the service charges payable by the Applicant. They are annexed hereto as Appendices 1, 2 and 3.

Mr Jones told us that his contentions break down into the following areas, some of which apply to each accounting period under review:

Insurance.

20. Mr Jones has established that the policy covers both The Grand and Grand Court. The total cost has been allocated to The Grand service charge account, but a part of it has also been allocated to the Grand Court service charge account. The twin effect is that, The Grand lessees have been paying too much, and the Respondents have been recovering a sum much greater than 100% of outlay. Mr Jones showed to us the various entries on Mr Blacknall's documents which showed this. Mr Jones produced to us a letter to Mr Blacknall dated 3 November 2005 raising the point, among others, but which Mr Blacknall has not seen fit to answer, he said.
21. Mr Jones contended that the premium should be apportioned between The Grand and Grand Court. He accepted the basis of apportionment was not easy. The premium is based on rebuilding costs and associated professional fees. Grand Court is a modern purpose built block of 9 very small one bedroom flats. The Grand is a Victorian conversion providing 2 three bedroom flats, 5 spacious one bedroom flats and 13 two bedroom flats. We find that the sums claimed for insurance must be adjusted and apportioned. In an ideal world a building surveyor would carry out an insurance evaluation of the two buildings and provided a basis for an equitable split. Unfortunately that is not available to us. Doing our best and using our experience in these matters we find that The Grand is by far the bigger building, both in terms of flats and room sizes but also common parts. It is a complex and dated building and inevitably rebuilding costs will be higher than modern build as in Grand Court. The Grand must therefore absorb the lion's share of the total cost of

insurance. Taking a broad brush approach we find that the apportionment should be 80%20% in favour of Grand Court.

Remuneration

22. At all material times a part time house warden/manager, Mr Alan Rasbridge, has been employed by Casquets to provide services at The Grand and Grand Court. He works three hours per day. Two hours per day are allocated to The Grand and one hour per day to Grand Court. Mr Rasbridge provides both services from an office located within The Grand, but close to a communal door to Grand Court. Mr Jones took us through the accounts and showed us how the whole cost of Mr Rasbridge employment has be allocated The Grand service charge account. It is not clear what sum, if any, has also been allocated to the Grand Court service charge account. It seems to us right that The Grand account should be adjusted to charge only two thirds of the cost of employment of Mr Rasbridge, in order to fairly reflect the amount of his time allocated to The Grand.

Central Monitoring – Care Line and BT Line

23. All 29 flats within The Grand and Grand Court are fitted with a 24 hour security system which lessees can activate in the event of need or emergency. A call centre is notified and help can be summoned as required. Mr Jones showed us how the complete cost of the service had been allocated to The Grand service charge account. It is not clear what sum, if any, has also been allocated to the Grand Court account. It seems right to us that The Grand account should be adjusted so that only the unit cost of 20 out of the 29 units is charged to it, in order to fairly reflect the sharing of the cost. Mr Jones explained to us that there is an associated BT telephone line and we find the cost of it should be adjusted in the same ratio.

Missing Invoices

24. Mr Jones told us of his careful review of the accounts and supporting vouchers made available to him. He was not able to reconcile all claimed expenditure against supporting vouchers. In a number of cases invoices were missing or not sufficiently clear. Mr Jones told us frankly that with some doubtful

documents he gave the benefit of the doubt to the Respondents. Sometimes he made an educated guess at allocation or to get something to tally. Even so there remained several items on which Mr Jones found it impossible to reconcile claimed expenditure with the vouchers provided. In these instances Mr Jones noted 'missing invoices' on his spreadsheets. We accept Mr Jones evidence that he did his best and in the event of doubt he favoured the Respondents. We find that where there are missing invoices, or at least where the Respondents have failed to provide invoices or vouchers or any explanation, we should disallow the excess over and above the expenditure supported by vouchers. We do so because the Respondents have been given every opportunity, whether in directions or correspondence, to put in a statement of case and to support it with whatever documents they wish to rely upon, and to attend the hearing to put forward their case, but they have voluntarily chosen not to cooperate or to participate at all. Moreover, in our experience it is standard and normal practice for professional managing agents to maintain adequate files and records to justify expenditure claimed.

Taps 2003/4 £570.86

25. Mr Jones explained that there was no supporting invoice(s), but he was aware that two taps had been installed. One however was installed in the wrong place and on the Grand Court supply line, and was later disconnected. In the circumstances we find it reasonable to allow 50% of the sum claimed because at least one tap was provided and gave some value.

Ashley Blacknall April to August 2004 £586 and 2004/5 £900

26. Mr Jones told us that Ashley was the Respondents' son. Evidently he was employed ad hoc on an hourly rate basis to do some painting work. Mr Jones said he was a personable and likable young man but certainly not a painter and decorator. He had little skill or experience. Mr Jones gave us examples where the end result was worse than the starting point. In both cases we have reduced the claim in respect of Ashley by 50% in order to more fairly reflect the value of the service provided, bearing in mind s19(1)(b) of the Act and that service charges should be limited if the service is not of a reasonable standard.

Management Fees 2004/5 £3,500.

27. Mr Jones fairly accepted that some management had been provided, but that generally it was of an appalling standard. Both The Grand and Grand Court had been run improperly as one development. At best there was incompetence in the apportionment of costs between the two blocks and at worst something less than honest and transparent. Mr Jones said that Casquets were rarely helpful or responsive. An example is Mr Blacknall's failure to respond to Mr Jones letter about the apportionment of the insurance premium. Further, a deal of day today management was undertaken by Mr Rasbridge who was charged out for in full.
28. Mr Jones explained that as part of enquiries made on behalf of the RTM company he came across a local chartered surveyor, Mr Paul Bryan of 18 Connaught Avenue, Frinton who has agreed to take on the management of The Grand for 12 months at a fee of £2000 inclusive of VAT. Mr Jones acknowledged this was a particularly keen price, but a full professional service was on offer, something quite different to Casquets. In the light of Mr Jones evidence and bearing the mind the level of the quality of service provided, and the failure to provide supporting vouchers we find that it is fair and reasonable to cap the cost of management at £2,000 for the year 2004/5. We have therefore made an appropriate adjustment.


Section 20C Application

29. Mr Jones made an application under this section which provides that an applicant tenant may make an application that costs incurred by a landlord in proceedings before a leasehold valuation tribunal should not be regarded as relevant costs to be taken into account in determining the amount of any service charge payable by the tenant. In considering an application the Tribunal may make such order as it considers just and equitable (s20C(3)).
30. Of course such costs can only be recoverable if the lease expressly or impliedly allows for the recovery of such costs. We have reviewed the lease of the Property carefully and it seems to us that it does not allow the landlord to recover any such costs.

31. Having regard to all of the circumstances of this matter and for avoidance of doubt and in case there be any issue later we find that it would be just and equitable to make an order. We do so because the Respondents have failed to comply with directions and such limited involvement that there has been in the proceedings has been limited to raising unmeritorious applications and issues.

Reimbursement of Fees

32. Mr Jones made an application for reimbursement of fees paid to the Tribunal. He has paid fees of £250. In support of his application Mr Jones said that he had tried to resolve matters with Mr Blacknall but was unable to do so. Mr Blacknall ignored correspondence and so Mr Jones was forced to come to the Tribunal to air his case and get redress. We find that that in very large measure Mr Jones has succeeded in his case. He has raised legitimate issues. The Respondents have failed to take any meaningful part in the process. Such lack of cooperation on the part of residential landlords and their managing agents is quite unacceptable. In all of the circumstances we have no hesitation in ordering the Respondents, jointly and severally to reimburse the Applicant the £250 in fees paid by him, because we think it is only fair, just and equitable that they do so.



John Hewitt

Chairman

27 July 2006

Expenditure Challenged - 1 April 2003 to 31 March 2004						
1	2	3	4	5	6	7
Item	Amount in Accounts	Amount accepted	Amount challenged and withheld	Reason	Amount Determined by LVT	Comments of LVT
Remuneration	£ 4,170.44	£ 3,925.60	£ 244.84	80% of Alan's pay for the year	£ 2,780.29	Two thirds of sum claimed
Central Monit	£ 1,291.00	£ -	£ 1,291.00	No invoices for item	£ 890.34	20/29 allowed
Monit telephone	£ 223.82	£ 83.73	£ 140.09	Total of invoices for item	£ 154.35	20/29 allowed
Insurance	£ 5,126.97	£ -	£ 5,126.97	No policy documents	£ 4,101.57	80% allowed
Electricity	£ 1,575.18	£ 1,123.47	£ 451.71	Total of invoices for item	£ 1,123.47	Total of invoices produced
Water	£ 3,351.07	£ 1,498.10	£ 1,852.97	Total of invoices for item	£ 1,498.10	Total of invoices produced
Window Cleaning	£ 1,200.00	£ 600.00	£ 600.00	Total of invoices for item	£ 600.00	Total of invoices produced
Gardening	£ 474.43	£ 138.47	£ 335.96	Total of invoices for item	£ 138.47	Total of invoices produced
Two taps	£ 570.86	£ -	£ 570.86	No invoices for item	£ 285.00	50% allowed
Lift	£ 2,703.91	£ 2,459.27	£ 244.64	Total of invoices for item	£ 2,459.27	Total of invoices produced
Fire equipment	£ 488.72	£ 96.23	£ 392.49	Total of invoices for item	£ 96.23	Total of invoices produced
General	£ 1,636.32	£ 132.60	£ 1,503.72	Total of invoices for item	£ 132.60	Total of invoices produced
Lighting	£ 813.27	£ 155.64	£ 657.63	Total of invoices for item	£ 155.64	Total of invoices produced
Warden Call & Doc	£ 763.20	£ -	£ 763.20	Total of invoices for item	£ -	Total of invoices produced
Telephone	£ 194.93	£ 116.48	£ 78.45	Total of invoices for item	£ 77.65	Two thirds of sum claimed
Refuse	£ 189.98	£ 50.92	£ 139.06	Total of invoices for item	£ 50.92	
Management	£ 1,750.00	£ -	£ 1,750.00		£ 1,750.00	As claimed/admitted
Accounts/Audit	£ 1,233.00	£ -	£ 1,233.00	No invoices for item	£ -	Total of invoices produced
Sundries	£ 31.62	£ 209.73	£ 178.11	Some in general?	£ 209.73	As admitted
Service Charge	£ 27,788.72	£ 10,590.24	£ 17,198.48	Total	£ 16,503.63	
	£ 2,161.00	£ 2,161.00	£ -	Roof repairs/sinking fund	£ 2,161.00	As admitted
Total invoiced	£ 29,949.72	£ 12,751.24	£ 17,198.48	Grand Total	£ 18,664.63	
			£ 0.05			
Proportion withheld by Flat 7			£ 619.05	Proportion Payable	£ 957.16	4/78ths is payable as per the lease
Proportion challenged by Flat 7			£ 881.97			

Expenditure Challenged - 1 April 2004 to 18 August 2004							
1	2	3	4		5	6	7
Item	Amount in Accounts	Amount accepted	Amount challenged	Amount Withheld	Reason	Amount Determined by LVT	Comments of LVT
Remuneration	1,770.00	1,505.71	264.29	132.00	80% of Alan's pay for 140 days	£ 1,180.00	Two thirds of sum claimed
Central Monit	599.26	599.26	0.00	0.00		£ 413.10	20/29 allowed
Monit telephone	55.47	39.50	0.00	0.00	Note telephone below	£ 27.24	20/29 of £39.50 allowed
Insurance	0.00	0.00	0.00	0.00		£ -	
Electricity	449.46	449.46	0.00	0.00		£ 449.46	As claimed/admitted
Water	1,474.32	1,383.92	90.40	90.40	Total of invoices for item	£ 1,383.92	Total of invoices produced
Window Cleaning	400.00	400.00	0.00	0.00		£ 400.00	As claimed/admitted
Gardening	128.47	117.52	10.95	0.00	Total of invoices for item	£ 1,117.52	Total of invoices produced
Lift	458.24	458.24	0.00	0.00		£ 458.24	As claimed/admitted
Fire equipment	382.54	382.54	0.00	0.00		£ 382.54	As claimed/admitted
General	1,726.02	1,726.02	0.00	0.00	but ashley=586	£ 1,433.00	Ashley reduced by 50%
Ashley	0.00	0.00	586.00	0.00		£ -	Dealt with
Lighting	206.49	206.49	0.00	0.00		£ 206.49	As claimed/admitted
Warden Call & Door	0.00	0.00	0.00	0.00		£ -	
Telephone	39.50	55.47	0.00	0.00	Note monit telephone above	£ 55.47	As claimed/admitted
Refuse	101.84	101.84	0.00	0.00		£ 101.84	As claimed/admitted
Management	1,339.00	0.00	1,339.00	0.00		£ 1,339.00	As claimed/admitted
Accounts/Audit	0.00	0.00	0.00	0.00		£ -	
Sundries	18.94	18.94	0.00	0.00		£ 18.94	As claimed/admitted
Bank interest	-33.17	-33.17	0.00	0.00		£ 33.17	As claimed/admitted
Service Charge	9,116.38	7,411.74	2,290.64	222.40	Total	£ 8,933.59	
Fraction for Flat 7 is 4/77			0.05128	0.05128	Propotion Payable	£ 458.13	4/78ths is payable as per the lease
Proportion challenged by Flat 7			117.47				
Proportion withheld by Flat 7				11.41			

Expenditure Challenged - 19 August 2004 to 18 August 2005						
1	2	3	4	5	6	7
Item	Amount In Accounts	Amount accepted	Amount challenged	Amount withheld	Reason	Amount Determined by LVT
Remuneration	4,501.50	4,115.60	385.90	193.00	80% of Alan's pay plus £190 cover	£ 3,001.00 Two thirds of sum claimed
Central Monit	916.52	916.52	0.00	0.00		£ 632.08 20/29 allowed
Monit telephone	162.29	148.01	14.28	14.28	Note mix up with telephone	£ 156.79 20/29 of £227.35 allowed
Insurance	3,832.84	0.00	3,832.84	0.00	Single policy, two properties	£ 3,066.27 80% allowed
Insur claim	-1,746.98	-1,746.98	0.00	0.00		-£ 1,746.98 As claimed/admitted
Electricity	1,883.88	1,856.32	27.56	27.56	Total of invoices for item	£ 1,856.32 Total of invoices produced
Water	3,457.24	3,195.63	261.61	261.61	Total of invoices for item	£ 3,195.63 Total of invoices produced
Window Cleaning	800.00	800.00	0.00	0.00		£ 800.00 As claimed/admitted
Gardening	185.28	185.28	0.00	0.00	Total of invoices for item	£ 185.28 As claimed/admitted
Lift	1,155.23	1,155.23	0.00	0.00		£ 1,155.23 As claimed/admitted
Fire equipment	255.17	255.17	0.00	0.00		£ 255.17 As claimed/admitted
General	1,010.23	1,010.23	0.00	0.00	but ashley=900	£ 560.23 Ashley reduced by 50%
Ashley	0.00	0.00	900.00	0.00		£ - Dealt with
Lighting	379.55	221.19	158.36	158.36	Total of invoices for item	£ 221.19 Total of invoices produced
Warden Call & Door	0.00	0.00	0.00	0.00		£ -
Telephone	237.37	227.35	10.02	10.02	Note mix up monit telephone above	£ 148.01 Total of invoices produced
Refuse	203.68	203.68	0.00	0.00		£ 203.68 As claimed/admitted
Management	3,500.00	0.00	3,500.00	0.00		£ 2,000.00 Reduction for low level service delivered
Accounts/Audit	869.50	0.00	869.50	869.50	all disputed invoices	£ 587.00 Reasonable sum
Sundries/Advert	57.55	57.55	0.00	0.00		£ 57.55 As claimed/admitted
Bank interest	-66.04	-66.04	0.00	0.00		-£ 66.04 As claimed/admitted
Service Charge	21,594.81	12,534.74	9,960.07	1,534.33	Total	£ 16,268.41
			0.05128	0.05128		
Proportion challenged by Flat 7			510.77		Proportion Payable	£ 834.27 4/78ths is payable as per lease
Proportion withheld by Flat 7				78.68		

APPENDIX 4

Leasehold Valuation Tribunals (Procedure) (England) Regulations 2003

Regulation 13: Determination without a hearing

- (1) *A tribunal may determine an application without an oral hearing, in accordance with the following provisions of this regulation, if-*
- [(a) it has given to both the applicant and the respondent not less than 28 days' notice in writing of its intention to proceed without an oral hearing; and*
 - (b) neither the applicant nor the respondent has made a request to the tribunal to be heard,*
- but this paragraph is without prejudice to paragraph (3).]*
- (2) *The tribunal shall-*
- (a) notify the parties that the application is to be determined without an oral hearing;*
 - (b) invite written representations on the application;*
 - (c) set time limits for sending any written representations to the tribunal; and*
 - (d) set out how the tribunal intends to determine the matter without an oral hearing.*
- (3) *At any time before the application is determined-*
- (a) the applicant or the respondent may make a request to the tribunal to be heard; or*
 - (b) the tribunal may give notice to the parties that it intends to determine the application at a hearing in accordance with regulation 14.*
- (4) *Where a request is made or a notice given under paragraph (3) the application shall be determined in accordance with regulation 14.*
- (5) *The functions of the tribunal in relation to an application to be determined without an oral hearing may be exercised by a single member of the panel provided for in Schedule 10 to the Rent Act 1977, if he was appointed to that panel by the Lord Chancellor.*