



**FIRST - TIER TRIBUNAL
PROPERTY CHAMBER
(RESIDENTIAL PROPERTY)**

Case Reference : **LON/00AZ/LSC/2019/0222**

Property : **2 Signal House, 3 Seager Place, London SE8
4HJ**

Applicant : **Freshplant Limited**

Representative : **Mr C Bryden, Counsel
Mr N Socratous of Property Management
Matters Limited, Managing Agents for the
Applicant**

Representative : **Mr Chandan Kumar Singh with Mr J Morgan
assisting**

Representative :

Type of Application : **Application for a determination of the liability
to pay and reasonableness of service charges**

Tribunal Members : **Tribunal Judge Dutton
Ms S Coughlin**

**Date and venue of
Hearing** : **10 Alfred Place, London WC1E 7LR on 28th
October 2019**

Date of Decision : **29th November 2019**
Date of amendment : **14th February 2020**

AMENDED DECISION

DECISIONS OF THE TRIBUNAL

1. The Tribunal makes the determinations as set out under the heading Management in this amended decision at paragraph 47 by inserting the undermentioned paragraph 3 as paragraph 47a in the Decision.
2. The tribunal makes no other amendments to its original decision dated 29th November 2019 (the Decision).

REVIEW

1. By an application for permission to appeal dated 26th December 2019 (the appeal) the Respondent sought to appeal a number of matters set out in the Decision. There is only one matter we are prepared to review and that relates to the recording of the evidence in respect of the Management stated to be point 6 in the Decision. That paragraph is set out below.
2. Paragraph 6 of the Decision states “*Within this third bundle Mr Singh had provided some alternative quotes for management from J A Builders Limited and Milltec Properties Limited. Again we will return to those under the heading relating to management costs.*” Regrettably we did not record the ‘evidence’ adduced by the Respondent and our findings in respect of same.
3. **Amendment to paragraph 47.** 47a In a bundle provided before the hearing we had sight of a letter from J A Builders Limited dated 11th October 2019 setting out the proposed works they would undertake for a fee of £3.25 per square foot per annum. Understanding of the documentation is not helped by the Respondent’s failure to number the pages and to provide a proper index. In addition, we had a copy of an email from Canary Wharf Residential indicating that the company could undertake all that was being supplied by the present managing agents at a fee of £7.29 per square foot. A further quote was obtained from Milltec dated 11th October 20189, listing the services they would provide at a charge of £3.35 per square foot index. None of these alternative quotes gave any information as to the history of the company and no CV’s were supplied. We did not consider that the ‘evidence’ adduced, varying from £3.25 per square foot to £7.29 per square foot persuaded us that the decision we made in respect of the reduced management charges we determined was unreasonable. Accordingly, we are satisfied that notwithstanding our failure to address the alternative quotes we find the decision we made reducing the management fee to be correct.

Andrew Dutton

Judge:

A A Dutton

Date: 14th February 2020

ANNEX – RIGHTS OF APPEAL

These rights of appeal run from the 28 day period this review is dated

1. If a party wishes to appeal this decision to the Upper Tribunal (Lands Chamber) then a written application for permission must be made to the First-Tier at the Regional Office which has been dealing with the case.
2. The application for permission to appeal must arrive at the Regional Office within 28 days after the Tribunal sends written reasons for the decision to the person making the application.
3. If the application is not made within the 28-day time limit, such application must include a request to an extension of time and the reason for not complying with the 28-day time limit; the Tribunal will then look at such reason(s) and decide whether to allow the application for permission to appeal to proceed despite not being within the time limit.
4. The application for permission to appeal must identify the decision of the Tribunal to which it relates (ie give the date, the property and the case number), state the grounds of appeal and state the result the party making the application is seeking.



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DECISION

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DECISIONS OF THE TRIBUNAL

3. The Tribunal makes the determinations as set out under the various headings set out in this decision.
4. The Tribunal makes an order under section 20C of the Landlord and Tenant Act 1985 so that none of the landlord's costs of the Tribunal proceedings may be passed to the lessee through a service charge.

APPLICATION

4. The Applicant seeks the determination pursuant to section 27A of the Landlord and Tenant Act 1985 (the Act) as to the amount of service charges payable by the Respondent in respect of the service charge years 2018 and 2019, the latter of course being estimated charges. The total sums sought to be recovered are £4,157.55, certain sums having been paid by Mr Singh since the start of the proceedings. Directions were issued on 25th June 2019 confirming that the matters we were required to determine were the service charges for the year 2018 and those on account for the year 2019. In addition also there was a question as to whether or not there had been compliance with section 20 of the Act in respect of major works and qualifying long term agreements (QLTA). The directions had by and large been complied with and prior to the hearing we received three bundles of documents.
5. An original bundle had been prepared for a hearing set for 16th September 2019. However, the matter was adjourned for a hearing on 28th October 2019, which resulted in two further bundles being produced, one by the Applicant and one it would seem by the Respondent. This has led to some duplication. Within the bundles we had copies of the application and directions. In addition we were provided with the witness statement of Mr Socratous dated 9th September 2019. Copies of the freehold and leasehold title was provided and a copy of the lease for 2 Signal, 3 Seager Place, London SE8 4HJ (the Property). Copies of emails and correspondence passing between the parties was also included as were service charge documentation with the statement of anticipated expenditure for 2019 and copies of the service charge accounts for 2017 and 18. All those were within the first bundle.
6. In the second bundle was a statement of case by Mr Singh, which also bore responses by the landlord. A Scott schedule of items of expenditure was included for both years but also for the years 2016/2017 which we will return to in a moment.
7. The bundle included the concierge agreement, some documentation relating to Mr Singh's purchase of the Property and further correspondence passing between Mr Singh and Mr Socratous. Details of the Aspect Lift contract and invoices was included as was a decision in the case of a dispute involving a Miss Hart at 103 Distillery Tower.
8. In the third bundle provided there were more detailed copies of the documentation leading to Mr Singh's purchase of the Property. There is an issue concerning which lease is relevant to this transaction, the more so as one has no

reference to car parking and others do. We will return to this under the car park heading that we need to consider.

9. Within this third bundle Mr Singh had provided some alternative quotes for management from J A Builders Limited and Milltec Properties Limited. Again we will return to those under the heading relating to management costs.
10. It appears the proceedings have been commenced by Mr Singh against the Applicant relating to the non-supply of heating and hot water via the centralised community system. It seems that Mr Singh has his own individual heating system but this is not a matter that concerns us at this time.

HEARING

11. The Applicant was represented by Mr Bryden of Counsel and Mr Socratous from Property Management Matters Limited (PMM) . The Respondent appeared in person and was assisted in the morning by Mr Morgan and in the afternoon by his brother.
12. During the course of the hearing we were provided with a copy of what appeared to be an employer's liability insurance certificate from Hiscocks, which was referred to under the question of insurance cover, together with some photographs of the car park area and some invoices from Aspect Lifts Limited. In addition to the above we received a note from Mr Bryden for the hearing which was helpful in setting out what were considered to be the issues.
13. The note set out some of the procedural histories confirming that although Mr Singh appears to want to include a challenge to the years 2016/17 these are not matters that the Applicant intended to deal with. The note sets out the issues that Mr Bryden considers were outstanding between the parties. These are as follows:
 - The use of the car park and the problems associated therewith including fines and maintenance
 - An apparent misrepresentation to Mr Singh at the time of purchase as to the level of service charges;
 - That the Applicant had not co-operated in providing documentation;
 - That there had been no section 20 consultation relating to what are said to be Qualifying Long Term Agreements (QLTA) and in respect of works to the lift;
 - That there has been a claim by another leaseholder (Miss Hart) in respect of other matters which is considered to be irrelevant to this application;
 - That earlier service charges are flawed but this relates to the years 2016 and 17, which are not, for the reasons we will refer to in due course, the subject of these proceedings;
 - That the concierge is not located in Signal House and therefore the cost should not be paid;
 - That the window cleaning was only done once in 2018 and not at all in 2016;
 - That there was no consultation process in connection with the lift contract;
 - That the insurance contracts were unreasonable and the apportionment was incorrect;

- That credits had not been applied in connection with an electricity overcharge;
- That the cleaning was not carried out or not to a reasonable standard;
- That the management charges are too high and the service provided not of a reasonable standard.

BACKGROUND

14. The Property is part of a larger development in a triangular estate comprising a number of buildings. These are The Crescent, Distillery Tower, Holland House, Pavilion which represents Signal House and Norfolk House. The latter, however, is a social housing block whose only use of services relates to heating and hot water. There is an additional social housing with The Crescent that makes use of all of the service charge costs. In addition there are two hotels/accommodation blocks. The plan to the lease gives fairly clear description of the set-up of the buildings on the estate.
15. The Tribunal has not inspected the Property, it considering it unnecessary to do so as it would not have been proportionate to the issues in dispute nor it seems to us to have added any further information to enable us to decide the matters that were in dispute.
16. The Respondent holds a long lease of the Property which requires a landlord to provide services and the tenant to contribute towards the costs by way of a variable service charge provision.
17. There are a couple of issues arising from the lease that we need to mention. In the first bundle at page 41 is a copy of the lease signed by Mr Singh. Under the definitions section no mention is made of the car park. This is of relevance because under part 2 of the Sixth Schedule to the lease the obligations and responsibilities in connection with the parking spaces are only applicable if the phrase “the parking space” is defined at clause 1 of the lease. It is not so defined in the lease signed by Mr Singh. However, in another copy of the lease signed by Mr Singh, again dated 12th January 2016, reference to the parking area is included within the definitions. There is clearly something of an anomaly but we will deal with the matter on the basis that Mr Singh is entitled to the use of the parking area and therefore there are costs associated therewith. Indeed, correspondence that passed between Mr Singh and solicitors instructed on behalf of Galliard Homes, of which PMM comprises part, have addressed the question of car parking spaces and at no point is it suggested that no such space is available to Mr Singh.
18. Having identified the issues that we needed to consider we heard the evidence from all parties and read the relevant parts of the bundles that were before us. In the second bundle was a schedule of items in dispute for the years 2016 through to 2019. We made it clear to Mr Singh that we would not be considering the years 2016/17 as those were not within the application made by Freshplant. That is also clear from the directions. If Mr Singh wishes to pursue claims in connection with these earlier years he should make his own application and the matter can then proceed.

19. The items in dispute are common to each year and we start therefore with the costs associated with the car park.

SERVICE CHARGE AND ITEM - CAR PARK

20. It is said by Mr Singh that he paid £30,000 to buy a parking bay and that the bay provided is not suitable for his needs, the car has been damaged by drips from the ceiling above and that he has received multiple penalty tickets for parking his car in another bay.
21. Apparently there are 60 car parking spaces and it was Mr Singh's view that he should only pay £100 towards the maintenance, the more so as the costs were being levied by a company which was owned or controlled by the brother of the CEO of Galliard Homes. Asked whether the agreement constituted a QLTA he accepted that it did not but was concerned as to the close relationship between the parties. He produced some indistinct photographs of the area but Mr Socratous had produced his own photographs, which were much clearer. One of the points made by Mr Singh was that the ceiling immediately above his car was dripping chemicals and that this has damaged his vehicle. The photograph of Mr Singh's bay that was clearly visible to us did not appear to indicate that there was a drip from the ceiling. Indeed, another photograph appeared to indicate that there were stalactites coming through a gap between the concrete in the ceiling but this was not above the bay used by Mr Singh. It should be noted also that the photographs appear to indicate that there was a reasonable amount of space for Mr Singh to park his car.
22. Some of the photographs appeared to indicate that there was water on the car park floor surface. We were told that this was a part of the ventilation system which Mr Socratous thought was part of the design for the fans for this area.
23. The charge for 2018 is £389.37. In fact, a review of the actual expenditure for the year ended 31st December 2018 at page 14 of the accounts indicates that the actual cost to Mr Singh was £214.43.

TRIBUNAL DECISION

24. The Tribunal determines that the amount payable in respect of the car parking for 2018 is £214.43 and the estimated cost for 2019 shown as £395.83 is not so far departed from the actual costs for the year before that we proposed to allow that sum as an interim payment for the car park in respect of the year ending December 2019.

REASON FOR THE TRIBUNAL'S DECISION

25. We heard all that was said by Mr Singh about the problems he had with actually using the car park. The photographic evidence he supplied was not helpful. The photographic evidence supplied by the Applicant was more helpful in that the photographs were a better quality and standard and one could see more clearly the space concerned. It seems to us from these photographs that there was sufficient space for Mr Singh to comfortably use the car parking space for his car.

Furthermore, there was no evidence from the photographs that the chemical drip was emanating from the roof immediately above his car parking bay. We do know that Mr Singh has parked in other bays and has been the subject of penalty charges and it may be that in so doing he has inadvertently parked his vehicle beneath the dripping roof.

26. There is an issue with the terms of the lease but as we stated above we are prepared to accept that the correct term is one that allows him to make use of the car park area. The charge actually incurred in 2018 and the estimated charge for 2019 seems to us to be reasonable and is payable. In making this decision we have taken into account both the tenant's comments in the Scott Schedule and the landlord's comments. As we have indicated above, some of these matters are not within our jurisdiction, certainly any dispute relating to the usage of the car park is not a service charge matter. In addition also, the terms of the contract relating to maintenance were accepted by Mr Singh as not being a QLTA and accordingly any issue in that regard falls away.

SERVICE CHARGE ITEM - CONCIERGE

TRIBUNAL'S DECISION

24. In respect of the estate costs, Mr Singh pays 0.46%, and in respect of the block costs 26.84%. The Staff and office costs, the Concierge, are shown as estate charges of £42,809 and block charge £3,727 in the 2018 accounts. In addition he has a liability in respect of the car park of 1.67% being 1/60th of the overall costs. These percentages are not disputed. Accordingly in respect of the estate costs for the concierge for the year 2018 Mr Singh's contribution is £197.40. In relation to the block cost it is £1,000.34. In respect of the anticipated costs these are shown in respect of the estate costs at £43,000 and in respect of the staff and office costs for the block at £3,750. These on the face of it are acceptable and in line with the costs actually incurred in the year ending December 2018. Accordingly utilising the percentages referred to above for the estimated costs for the estate for 2019, Mr Singh has a liability for £197.80 and in respect of the costs for the block £1,006.50.
25. We find that those costs are reasonable and payable. However, we do raise below our concerns as to the method in which these costs are attributed and require that the Applicant reviews these charges to ascertain whether a more appropriate method of contribution should be considered.

REASON FOR THE TRIBUNAL'S DECISION

26. It appears that the concierge is not sited in Signal House. As we understand it the concierge provides security, parcel collection and deals with day to day enquiries raised by residents. The concierge is a 24/7 service and the agreement, which was at page 201 of the bundle is with Abbatt Dual Management, it being a joint employment agreement apparently made on 1st November 2018 although it may be a follow-on from a previous year's agreement they being renewable, we were told, on an annual basis. These joint agreements require one party to deal with certain elements and the other to deal with different issues. In this case Abbatt

were responsible for such things as day to day management of all HR requirements, workplace safety assessments, holiday and sickness management, performance reviews and appraisals, sourcing of new staff, staff welfare, training and development and liaison with Freshplant. The responsibilities of Freshplant were set out in the agreement with confirmation that there was a joint responsibility for day to day management of the staff, interview and selecting staff and health and safety for employees. The contract is stated to be terminated after 364 days. We were told that in the two years in question it has been Abbatt that has supplied the concierge. Although the concierge is in fact sited in Distillery Tower, Signal House is centrally located and therefore we were told by Mr Socratous gets the benefit of the services which we have outlined above. For the record, Signal House is three floors and a basement which includes a pathway to the car park which appears to be sited underneath the block called The Crescent.

26. We were told that the staffing costs for the concierge were 20% for an estate charge and the remainder split on the floor area basis for each block giving the individual costs which we have referred to above. We were told that in addition to those items that we have outlined the concierge also helped with some minor repairs. Further, they act as the eyes and ears for PMM and informed them if there were any issues. We were told that the concierge did not provide a service to Norfolk House which is run by Clarion Housing, as they own that block. We were told that there were some security cameras on that block.
27. Mr Singh's view was that he should only contribute as an estate charge and not as a building charge.
28. As we have indicated above we find the charges for the two years in question reasonable but we do consider that Mr Singh's argument that the concierge should be dealt with as an estate charge quite compelling. We understand it may be necessary to differentiate those elements of the estate which includes the hotel for which some security is available, but the remainder of the costs, that is to say the other 80%, we think should also remain as an estate charge but will require a different percentage to reflect the extrapolation of costs associated with the hotel accommodation.
29. We would not have thought that this is beyond the wit of man. This would seem to us to be a fairer way of dealing with the concierge which is in truth an estate expense. Accordingly, whilst we have determined that the costs for these two years is reasonable, this is a matter that we find should be reviewed by the Applicants going forward.

SERVICE CHARGE ITEM AND AMOUNT - WINDOW CLEANING

30. Window cleaning in the year 2018 was £1,080 and estimated for 2019 at £1,100. The matter in dispute centred around the number of times that window cleaning actually takes place. It appears that it should be on a six monthly basis and had been retendered at the end of 2018. In an email from Signal House Leaseholders, an unrecognised residents association, the question as to window cleaning was raised for the end 2018 and the beginning of 2019. The response appears to indicate there was some concern as to the cleaning of windows and whether those

had been done in accordance with instructions. Mr Socratous said that he would have been told by the concierge if the attendances had not taken place in accordance with the invoices which were produced in the bundles before us. There is an invoice from All Clean Services Limited dated 27th April 2018 showing a cost for cleaning Signal House of £450 plus VAT which was paid in May of 2018. This is then followed by a further invoice dated 12th December 2018 showing a composite charge of £5,750 plus VAT and a final invoice dated 14th June 2019 indicating a cleaning charge for Signal House of £250 plus VAT. It appears that this later charge for 2019 was as a result of a retendering which resulted in the existing window cleaners reducing the price.

TRIBUNAL'S DECISION AND REASONS

31. We have considered the invoices produced to us and the complaints made by a number of residents that the cleaning was not carried out either to a good standard or at all. It is difficult to be certain as to the circumstances surrounding this. We do note, however, that in 2019 the cleaners appeared to be quite content to accept a charge of £250 plus VAT for a clean of the windows at the Respondent's block. It seems to us that there is no reason why this is not a reasonable charge to expect to be paid in 2018. Accordingly our finding is that a figure of £300 inclusive of VAT is the appropriate charge for window cleaning in 2018 and in 2019. In this later year of course we do have the supporting invoice for the clean in June.

SERVICE CHARGE AND ITEM -LIFT

32. In the accounts for the year ending December 2018, lift repairs and maintenance for the block are shown at £3,732 and in the following year estimated at £2,750. Initially it was unclear how these items had been calculated. However, after the luncheon adjournment Mr Socratous was able to provide us with copies of invoices to support the figures shown in the 2018 accounts.
33. Before seeing the invoices Mr Singh accepted the annual charge for the lift maintenance of £1,620, which forms part of the annual cost. This was for the annual maintenance and Mr Singh did not pursue any concerns that this may be a QLTA. However, the other items of expenditure show that in respect of the invoice for £1,128 for the upgrading of damaged rollers and safety landing barrier this should have been consulted upon. The percentage liability that Mr Singh had would take it above the £250 limit. Mr Bryden sought to make an application under section 20ZA at the hearing but we declined to allow that. Such an application would need to be made properly and a fee paid. It would also need to give the opportunity to Mr Singh to make a response. The other invoice was for £780 and was not challenged

TRIBUNAL DECISION AND REASONS

34. In the light of our indications and given the potential costs involved Mr Bryden indicated that the Applicants would limit their claim in respect of the invoice for £1128 to £250 giving a reduction in the service charge for that invoice of £52.75. The remainder of the lift expenditure was in truth not challenged by Mr Singh and is allowed. The estimate for the year of 2019 is not so far from the

actuals, although of course any costs that exceed the section 20 limit will need to be monitored.

SERVICE CHARGE AND ITEM - INSURANCE

35. In the year ending 2018 the charge for the block is £1,948 with a figure of £2,250 for the estimated year ended 2019.

TRIBUNAL'S DECISION

36. The actual cost for 2018 was £522.84. The estimated costs for 2019 is £603.90. We find that those costs are reasonable and payable.

REASON FOR THE TRIBUNAL'S DECISION

37. Our reasons for finding those costs are reasonable is that we had no alternative quotes available to us from the Respondent. He said he had asked for a claims history but it had not been made available to him. Mr Socratous denies that he was asked for this information. We were told that the insurers cover the whole development, although the hotels are not so included. The insurance is apparently put in place by an internal department at Galliard although no commission is paid. Claims are handled through the brokers although PMM deal with some insurance as part of their management fee.
38. As we have indicated there was no alternative evidence given to us as to what a quote may be. The insurance is placed through brokers who we were told go to the market on an annual basis. The insurance we understood was on a block policy. The estate is relatively complicated and the insurance includes not only the blocks but the general areas. Accordingly in the absence of any indication that the insurance is unreasonable, and has not been obtained through the use of brokers, we find that the costs are reasonable and are payable.

SERVICE CHARGE AND ITEM - CLEANING

39. In the Scott schedule it is suggested by Mr Singh that cleaning did not take place but that if it did the charge was excessive. For the Applicant it is said that the cleaning took place as agreed with the contractor and that they would not have authorised payment of the invoices unless they were satisfied that the work had been carried out. In the email from Signal House Leaseholders, at pages 565 - 569 , the question of cleaning had been raised and the cost, which in the 2018 year was actually £1,041 as against a budget of £2,000 and in the estimated expenditure it was again recorded at £2,000.
40. It seems that there has been a request by the residents of the block, and overall, to reduce the cleaning to one hour a week, which has been agreed, although the cost has risen from £10 to £15 per week. However, this was not greatly challenged by Mr Singh and would give an annual charge for the block of £780 or just over £200 per annum for him. It appears that there had been some concerns on the part of the Applicant about the cleaning costs and that they had sought three quotes, particularly as Absolute, who were the cleaners, withdrew from the

contract. JM2 Property Services were eventually awarded the agreement on the basis of a cost of £15 per visit for one hour.

TRIBUNAL'S DECISION

41. We consider that if cleaning could have been undertaken for £15 per hour once per week that this would have been a reasonable cost to have expected for 2018 and 2019. Accordingly this gives an annual charge of £780 for each year and a percentage liability for Mr Singh of £209.35 which we find is the amount that should be paid for the two years in question.

REASON FOR THE TRIBUNAL'S DECISION

42. We have reached the conclusion on the costs on the basis of the evidence given to us at the hearing. There appears to be some conflict as to the amount and the standard of cleaning but this has now we believe been resolved by allowing for the cleaner to undertake weekly attendance at the rate of £15 per hour, those attendances being limited to one hour. That we find should be sufficient to enable the block to be properly cleaned and indeed this has been in place for a while and the service appears to be acceptable to all concerned. In those circumstances we do not propose to go any further than to say that we consider the charge of £209.32 being Mr Singh's liability under the terms of his lease to be reasonable for this item of expenditure.

SERVICE CHARGE AND ITEM -ELECTRICITY

43. This appears to have been resolved with there being a refund to the tenants and an estimate of £400 per year being put in place. It may be that in fact when the actual costs come through for 2018 and 19 that there could be a further reduction from the £400, but that is unclear.
44. What is of concern to us is that it has taken this long for the managing agents to realise that there was an error in connection with the electricity supply. It appears that in January of this year notwithstanding that excessively large electricity bills had been submitted previously (a figure of £4868 appears as an actual cost for the year2017), it was only then properly investigated. They then found that there was a wiring issue which meant that the landlord's meter was reading the electricity consumption of the flats within the building as well as the common parts. The effect of this was that the lessees were paying for their personal electricity twice. This has now been corrected and the electric meter reads only the landlord's supply. The invoices now coming in show readings of around £350 - £400 and as we have indicated above there have been refunds based on the estimated figure of £400. Mr Singh thinks he is still owed £223. He did, however, accept that the landlord's supply is now separately metered as evidenced in a letter to him by Mr Socratous dated 28th January 2019. He was also asked whether the energy provider was the cheapest. Mr Socratous' response was that SW Energy deals with heating and hot water and not the electricity. He could not remember who the present supplier that might be but there is no requirement for them to remain with a particular electricity company and if evidence could be produced from the leaseholders that a cheaper company was available then they would be willing to review. It was also said that until

January of 2019 there was still capping in respect of service charges and accordingly any difference was being picked up by the freeholder.

45. Accordingly we find that the position in respect of electricity has been satisfactorily resolved. By the end of this accounting year there should be a clear indication as to what the charges are and no need for this to become an issue.

SERVICE CHARGE AND ITEM -MANAGEMENT

46. The Tribunal determines that the management fee for 2018 should be £220 including VAT and should remain at this level for 2019.

REASON FOR THE TRIBUNAL'S DECISION

47. We were concerned particularly with the lack of management control in relation to the electricity. This is something that should have been picked up before it was. In addition the water ingress into the car park has not been attended to and should be. There are photographs showing water lying on the floor and there is clear evidence of some chemical seepage from the roof. It appears there has been no attempt to investigate this, which is not satisfactory. In addition the question of the cleaning costs were only reviewed once the residents raised the issue with the managing agents when it was agreed that one hour at £15 per hour would be reasonable, which seems to be acceptable to the leaseholders. We must also consider the fact that one lift invoice was above the section 20 limit yet no consultation was undertaken. We also remind ourselves that the concierge is the eyes and ears of PMM at the development and therefore undertakes a role that one would expect the managing agent to fulfil. Those costs are already met within the concierge costs and accordingly we consider it reasonable to reduce the management fee to £220 for the two years that we are being asked to consider. This reduction is confined to the period under review and does not necessarily set a precedent, going forward, or back.

APPLICATION UNDER SECTION 20C

48. At the hearing the Respondent applied for an order under section 20C of the Act. Having heard the submission from the parties and taking into account the determinations above, we determine that it would be just and equitable in the circumstances for an order to be made under section 20C of the Act so that the Applicant may not pass any of its costs incurred in connection with these proceedings through the service charge for the Respondent.
49. Our reason for doing this is that although some items challenged by Mr Singh were not strictly speaking service charge issues there was enough success in connection with the charges that were service charge matters to persuade us that it would be just and equitable for each side to pay their own costs whatever they may be.
50. We would just finish by saying that Mr Singh has raised issues that are not within the jurisdiction of this Tribunal and indeed are being pursued through the County Court. We do think, as we have indicated above, that the concierge costs would be better dealt with as an estate charge than attributed to individual blocks

and we do think that the management has been somewhat slow to respond to issues raised of them. The amount of service charges being paid by individual leaseholders is quite high and they are entitled to expect a good service from the managing agents. We hope that the parties will be able to work together in the future so that further applications to this Tribunal can be avoided.

Andrew Dutton

Judge:

A A Dutton

Date:

29th November 2019

ANNEX – RIGHTS OF APPEAL

5. If a party wishes to appeal this decision to the Upper Tribunal (Lands Chamber) then a written application for permission must be made to the First-Tier at the Regional Office which has been dealing with the case.
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