

Case References: CHI/00HH/LAM/2021/0008 & CHI/00HH/LIS/2021/0025

SCHEDULE 03

DISPUTED SERVICE CHARGE INVOICES S/C YEAR ENDED 30th September 2018

Case References: CHI/00HH/LAM/2021/0008 & CHI/00HH/LIS/2021/0025	Premises: Langstone Close, Torquay. TQ1 3TY
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ITEM	COST	TENANT'S COMMENTS*	LANDLORD'S COMMENTS*	LEAVE BLANK (FOR THE TRIBUNAL)
Audit Accounts marked in green "Professional Fee – Schedule 1" on page 1 of year end audited accounts for September 2018 + Page 3 of Audit.	£1,886.40	1,2,3) Exceptional amount of charges. Inexplicable. Invoices shown below but not all found in disclosures.	<p>The Lease provides for recovery of these charges pursuant to Paragraph 9 of the Schedule to the Lease.</p> <p>The Respondent claims that the charges are exceptional in amount and inexplicable. However, the Respondent has failed to substantiate this claim.</p> <p>The Applicant asserts that the fees in the matter are reasonable in amount.</p> <p>Invoices have been provided in support of this item of expenditure namely:</p>	<p>These costs are disallowed as not being reasonable. [650] appears to indicate these are fees charged by the managing agent. In our judgment these are costs which should be included within the standard management fee. None of the costs are recoverable.</p>

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			<p>125108: £489.60 125892: £489.60 130613: £204.00 138746: £120.00 116183: £583.20</p> <p>The Applicants note that the Respondent has also sought to challenge individual items under this head as separate disputed items below.</p>	
129236 – 31/10/2017 SDL Ltd. Insurance Admin Fee	£583.20	1,2,3) Administration of Insurance part of the management fee.	<p>The Applicants anticipates that the Respondent is referring to the Insurance Admin Fee as detailed within the expenditure report for the year ending 2018 under the sub-heading "Insurance-Schedule 1".</p> <p>The Applicants assert that this charge has already been removed from this subsection as shown by the credit in the expenditure report and reallocated within the "Professional Fees" head of expenditure. This item has already been addressed above.</p> <p>The Respondent is invited</p>	<p>The Applicant accepts this fee should not be charged. We agree, no charge should be levied for insurance administration given the disclosed commission received.</p>

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			to withdraw this disputed item on the basis that it is already addressed within "Professional Fees" disputed item.	
157702- 31/01/2018 SDL Ltd. Banking Admin Fee	£144.00	1,2,3) All above comments.	<p>The Lease provides for recovery of these charges pursuant to Paragraph 4 of the Schedule to the lease.</p> <p>The Respondent has stated that these charges are exceptional in amount and that they are inexplicable. However, the Respondent has failed to substantiate this allegation.</p> <p>These fees are charges issued by the bank for maintaining the service charge account.</p> <p>The Applicant affirms that the bank charges are reasonable in amount.</p>	We do not agree this fee is reasonable. Ms Andrews referred to the bank charging a fee to Proxim but she was unable to explain how the fee charged by Proxim was calculated. In our determination the costs of administering the service charge account should be properly included within the management fee.
171137- 22/02/2018 SDL Ltd. Annual Audit- Property Inspection 2017/2018	£489.60	1,2,3) All above comments.	<p>The Lease provides for recovery of these charges pursuant to Paragraph 9 of the Schedule to the lease.</p> <p>The Respondent has disputed these charges on</p>	Not reasonable: this is a cost which should be within the standard management fee.

		<p>the basis that they are an exceptional amount and inexplicable. However, the Respondent has failed to substantiate this allegation.</p> <p>The Applicant affirms that these charges incurred in relation to the annual audit are reasonable in amount.</p> <p>Furthermore, the Applicants note that this charge is included within the "Professional Fees" sub-heading of the expenditure report and therefore is already addressed above.</p> <p>The Respondent is invited to withdraw this disputed item on the basis that it is already addressed above.</p> <p>The Applicant confirms that Proxim analysed the previous expenditure from SDL, and it was apparent that the property audit fee had been charged twice by SDL. In the circumstances, Proxim obtained a refund from SDL for this amount, which is evidenced within</p>	
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			the expenditure report for 2020 under professional fees on 28 May 2020. This amount was returned into the service charge.	
177105 - 22/02/2018 SDL Ltd. Annual Audit- Property Inspection 2017/2018	£489.60	1,2,3) All above comments.	<p>The Lease provides for recovery of these charges pursuant to Paragraph 9 of the Schedule to the Lease.</p> <p>The Respondent has disputed these charges on the basis that they are an exceptional amount and inexplicable. However, the Respondent has failed to substantiate this allegation.</p> <p>The Applicant affirms that these charges incurred in relation to the annual audit are reasonable in amount.</p> <p>Furthermore, the Applicants note that this charge is included within the "Professional Fees" sub-heading of the expenditure report and therefore is already addressed above.</p> <p>The Respondent is invited to withdraw this disputed item on the basis that it is</p>	Not reasonable: this is a cost which should be within the standard management fee.

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			already addressed above.	
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ITEM	COST	TENANT'S COMMENTS*	LANDLORD'S COMMENTS*	LEAVE BLANK (FOR THE TRIBUNAL)
193002- 29/03/2018 SDL Ltd LTMP Desktop Review	£204.00	1,2,3) All above comments. Item description unknown.	<p>The Lease provides for the recovery of these charges pursuant to Paragraphs 6 and/ or 9 of the Schedule to the Lease.</p> <p>To clarify, this charge relates to a review of the long term maintenance plans for the Development assessed by submitted statistics rather than a visit by an inspector.</p> <p>The Respondent has disputed this fee on the basis that the charge is an exceptional amount and inexplicable. However, the Respondent has failed to substantiate this claim.</p> <p>The Applicant affirms that this fee is reasonable in amount.</p> <p>Again, this charge forms part</p>	Not reasonable: this is a cost which should be within the standard management fee.

			<p>of the “Professional Fees” which are disputed above. The Respondent is invited to withdraw this disputed item on the basis that it is already addressed above.</p> <p>Furthermore, Proxim have confirmed that this charge was incurred as a result of SDL arranging the long-term maintenance plan, and Proxim have confirmed that they have received this report from SDL.</p>	
215730 – 31/05/2018 PKF Cooper Parry	£432.00	1,2) Service charge accounts preparation part of the management fee.	<p>The Lease provides for the recovery of these charges pursuant to Paragraph 9 of the Schedule to the Lease.</p> <p>The Respondent has disputed this fee on the basis that the charge is an exceptional amount and inexplicable. However, the Respondent has failed to substantiate this allegation.</p> <p>This fee is charged by the auditors in respect of preparing the service charge accounts as opposed to a fee incurred by the managing</p>	We accept the fee charged is reasonable and recoverable under the lease.

			agents. The Applicant affirms that this fee is reasonable in amount.	
272271 – 28/09/2018 SDL Ltd. AC Prep Fee	£120.00	1,2) As above.	<p>The Lease provides for the recovery of these charges pursuant to Paragraphs 6 and/or 9 of the Schedule to the Lease.</p> <p>The Respondent has disputed this fee on the basis that the charge is an exceptional amount and inexplicable. However, the Respondent has failed to provide any evidence, by way of comparative quotes or the like, that the costs are unreasonable or that they have been unreasonably incurred.</p> <p>The Applicant affirms that this fee is reasonable in amount.</p> <p>This is a fee incurred by the previous managing agent SDL, charged for the preparation of the accounts.</p>	Not reasonable: this is a cost which should be within the standard management fee.

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Bank statementsfor service charge account		Require bank statements tocheck against expenditure.	<p>This is not a specified disputed service charge item, but a request for information.</p> <p>Accordingly, the Respondent is invited to either set out her allegation formally or remove this from the scott schedule.</p>	
Expenditure Report on Reserve Account + Bank Statements		Not had sight ofReserve Accountalthough previously requested.	<p>This is not a specified disputed service charge item, but a request for information.</p> <p>Accordingly, the Respondent is invited to either set out her allegation formally or remove this from the scott schedule.</p>	
Contract betweenlandlord and management companies		Annual management charge not fixedor capped. Do not know how itis calculated or increased. Plus % charged on extra services ieSection 20's.	<p>This is not a specified disputed service charge item, but a request for information.</p> <p>The Respondent is invited to either set out their allegation formally or remove this from the scott schedule accordingly.</p>	

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