

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

SCHEDULE 02

**DISPUTED SERVICE CHARGE INVOICES S/C YEAR ENDED
30th September 2019**

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)
Invoice No. 151649 – 28/03/2019 SDL Ltd. Banking Admin Fees Jan – Dec 2019 Fee not shown on expenditure report & work unknown.	£144.00	1,2,3) Question Proxim making this charge or why it's made. Part of the management charge. Charge overlaps by 3 months with Proxim charge on Schedule 01, first row which commences on 01/10/2019	The lease provides for recovery of these charges pursuant to Paragraph 4 of the Schedule to the lease. The Respondent has stated that these charges are exceptional in amount and that they are inexplicable. However, have failed to substantiate this claim. These fees are charges issued by the bank for maintaining the service charge account. The Applicant affirms that the bank charges in the matter are reasonable in amount.	See 2018. Not reasonable: this is a cost which should be within the standard management fee.

			<p>The Applicant affirms that this fee is evidenced on the expenditure report under banking charges, as there was a £36.00 brought forward prepaying from the 2018 accounts. Therefore, this invoice amount is included within the £180.00 evidenced on the expenditure report.</p>	
<p>1193 – 01/07/2019 Proxim Ltd. Banking Charges July to September 2019.</p>	£53.50	<p>As above with further 2 month overlap.</p>	<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. The Applicant affirms that the</p>	<p>See 2018. Not reasonable: this is a cost which should be within the standard management fee.</p>

			<p>bank charges in the matter are reasonable in amount.</p> <p>,</p> <p>Upon review, it appears as though there has been an overlap in respect of the charges for 2019, as a result of SDL preparing an invoice for the entire period as opposed to an invoice prepared on a pro-rata basis. In the circumstances, the Applicant shall arrange for a credit to be applied to the service charge account in the sum of £108.00.</p>	
2700 – 09/08/2019 Proxim Ltd. Issue of Year End Accounts Pack.	£360.00	1,2,3) Should be incorporated within management charge, not an extra charge.	<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</p>	<p>See 2018. Not reasonable: this is a cost which should be within the standard management fee.</p>

			<p>substantiate this claim.</p> <p>The Applicant affirms that this fee is reasonable in amount.</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 agents.</p>	
<p>2101 -12 08 2019 Roman Glass Replacement balcony pane of Flat 34.</p>	<p>£441.36</p>	<p>1) Chargeable to leaseholder of Flat 24 not Service Charge Account.</p>	<p>The Lease provides for the recovery of this sum pursuant to Paragraph 2 of the Schedule to the Lease.</p> <p>The balconies are not demised to the individual leaseholders. Therefore, the replacement of the balcony pane would be recoverable as a service charge item in accordance with Paragraph 2 of the Schedule to the Lease.</p>	<p>Not recoverable. We are not satisfied that the cost of replacement of a glass pane is recoverable under the lease. Paragraph 2 of the Schedule specifically excludes glass. On the plan annexed to the lease the whole of the balcony appears to be demised to the leaseholder.</p>

ITEM	COST	TENANT'S COMMENTS*	LANDLORD'S COMMENTS*	LEAVE BLANK (FOR THE TRIBUNAL)
2093 – 18/08/2019 Fast R Solutions. Fire Risk Assessment.	£1,056.00	2) Company travelled from Worcester of over 4 hour drive of 155 miles. See below for local Firewatch quote for £660.00.	<p>The Lease provides for the recovery of this fee pursuant to Paragraphs 2 and 6 of the Schedule to the Lease.</p> <p>The Applicant affirms that tendering for Fire Risk and General Risk Assessment is based on economies of scale. Therefore, nationwide companies are often more competitive than local companies. The quote obtained by the Respondent from Firewatch does not include a GRA (General Risk Assessment), whereas the quote obtained by the Applicant from Fast R Solutions does.</p> <p>The Applicant asserts that Fast R Solutions have the correct accreditation to carry out these reports on their behalf and offer the Applicant comparative rates as they undertake work for the entire portfolio.</p>	<p>We are satisfied that the costs of the Fire Risk Assessment and General Risk Assessment is reasonable. Whilst Mrs Ayres suggested a fire risk assessment could be obtained at a lower price this was actually two assessments and in our judgment the sum is reasonable. Simply because an item may be obtained cheaper does</p>

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			<p>In the circumstances, the Respondent has failed to provide a comparative quote.</p> <p>The Applicant asserts that this fee is reasonable in amount.</p>	not make the cost unreasonable.
<p>Brokers Ref: PROX02PO01 26/09/2019 Jobson James Insurance Increases. Fee not shown on expenditure report.</p>	£2,584.74	<p>2) Expenditure Report marked green for Jobson James Building Insurance £11,485.14 + Uplift of £368.13 = £11,853.27. Total annual cost £14,438.01.</p>	<p>The Lease provides for recovery of these charges pursuant to Paragraph 1 of the Schedule to the lease.</p> <p>The Respondent has disputed the reasonableness of this charge. However, the Respondent has failed to substantiate this claim.</p> <p>The Applicant affirms that that the invoice amount of £2,584.74 is the insurance increase for the entire portfolio. Therefore, the uplift of £368.13 is the amount of the increase that is attributable to this Development.</p> <p>The Applicant asserts that this fee is reasonable in amount.</p>	<p>These increases are reasonable given the explanation as to re-valuing the building.</p>

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Audit Accounts show £11,853.27 marked in green actual insurance cost on page 3 of year end audited accounts for September 2019.	£11,853.27	2) Shown in green on scan below. Audit, expenditure report and invoices do not agree.	<p>The Lease provides for recovery of these charges pursuant to Paragraph 1 of the Schedule to the lease.</p> <p>The Respondent has disputed the reasonableness of this charge. However, the Respondent has failed to substantiate this claim.</p> <p>The Applicant asserts this insurance fee is reasonable in amount.</p> <p>The expenditure report records a total of £11,853.27 being incurred in respect of "Building Insurance – Apartment Service Charge". This figure is shown within the accounts as under the heading "Insurance".</p> <p>The Applicant again affirms that only £368.13 is attributable to this Development from Invoice 50805.</p>	
Audited accounts for the year end 2019 in	Not valid	Above mentioned scan show Malcolm	The year end accounts were finalised on 3 August 2020, after Mr Irving Carter's	

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disclosures. Irving Carter not deceased until April 2020 or TR5 completed.		Carter & Susannah Segal as Trustees.	death. In the circumstances, the accounts for the year end 2019 refer to the landlords at the time they were finalised. The Applicant affirms that the accounts are valid. This is not a disputed item of service charge and the Respondent is invited to remove this item from the scott schedule accordingly.	
1st October 2018 – 30th September 2019 Total Service Charge	£13,782.50	2) £13,782.50 divided by 54 flats = £255.23 per flat. Exceptionally high with very poor quality management located miles away.	The Lease provides for the recovery of these charges pursuant to Paragraphs 6 and/or 9 of the Schedule to the Lease. The Respondent has disputed the management fee on the basis that the management fees for the years 2019 and 2020 are exceptionally high with very poor-quality management. However, the Respondent has failed to substantiate this allegation. The Applicants assert that the fee in the matter is reasonable in amount.	We are satisfied that the base management fee is reasonable and payable given the service provided including bi-monthly personal visits by the property manager.

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<p>Audit Accounts marked in green show Reinstatement Cost Assessment on page 3 of year end audited accounts for September 2019.</p>	<p>£1,620.00</p>	<p>1,2,3) Invoicenot found. Question what this fee covers.</p>	<p>The Lease provides for the recovery of these charges pursuant to Paragraphs 1 and/ or 9 of the Schedule to the Lease.</p> <p>These charges have been incurred in relation to preparing an insurance valuation for the Development including both site inspection and desktop study. Such report is prepared as part of renewing insurance for the Development and is often undertaken every couple of years to ensure that sufficient cover is obtained.</p> <p>A copy of the relevant invoice has been disclosed under Invoice Number: 141856.</p> <p>The Applicants assert that this fee is</p>	<p>We accept such fee is reasonable and payable for a re-assessment. We accept undertaking such assessments from time to time represents good and prudent management and the costs is recoverable under the Schedule to the lease as a service charge item.</p>

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			reasonable in amount.	
Bank statements for service charge account		Require bank statements to check 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 of Reserve Account although 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 between landlord and management companies		Annual management charge not fixed or capped. Do not know how it is calculated or increased. Plus	<p>This is not a specified disputed service charge item, but a request for information.</p> <p>Accordingly, the</p>	

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		% charged on extra services ie Section 20's.	Respondent is invited to either set out her allegation formally or remove this from the scott schedule.	
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- 1) Chargeable under lease?
- 2) Reasonable in amount / standard?
- 3) Correctly demanded?

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