FIRST-TIER TRIBUNAL
PROPERTY CHAMBER (RESIDENTIAL PROPERTY)

Case references	:	CAM/26UC/LSC/2021/0060
Property	:	Swan Court, Waterhouse Street, Hemel Hempstead HP1 1DS
Applicant	:	Yasaman Tamiz and 15 other lessees of Swan Court
Applicant's Representative	:	Jian Jun Liew of Counsel, pursuant to the Public Access Scheme
Respondent	:	Icona Homes Limited
Respondent's Representative	:	Richard Alford of counsel
Type of application	:	Application for a determination of liability to pay service charges pursuant to s. 27A Landlord & Tenant Act 198
Tribunal members	:	Mr Max Thorowgood and Michele Wilcox (MRICS)
Venue	:	CVP on 7th & 17th March 2022
Date of Decision	:	26th April 2022

DECISION

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1. The application

1.1. The Applicants' application relates to the service charge accounts rendered by the Respondent for the years 2019 and 2020 in respect of the premises known as Swan Court, Waterhouse Street, Hemel Hempstead HP1 1DS.

1.2. The primary issue between the parties was the alleged responsibility of the Respondent to bear the cost of any and all remedial works to the lifts serving the premises necessary to put them into the state of repair which they should have been in when the leases were granted.

1.3. In addition, the Applicants raise a number of discreet general and specific challenges which Mr Liew helpfully crystallised into a statement summarising the challenges made by his clients as well as a marked-up schedule of the various items of expenditure said to constitute the costs incurred by the landlord in 2019 and 2020. We shall refer to the various matters in dispute by reference to that schedule which is organised by reference to the invoices in the hearing bundle.

2. The building

2.1. Swan Court was originally constructed in the 1960's for use as offices.

2.2. It was purchased in 2014 by the Respondent for conversion to residential use. The development was done in two phases. The existing building was converted first in the course of which two lifts were installed. The first was commissioned on 26th July 2016, the second on 10th August 2017. The installation was carried out by Sheridan Lifts.

2.3. After the first phase of the works had been completed and leases of some of the units had been granted, the Respondent commenced a second phase of works to add penthouse units. These works were carried out without using the lifts installed.

2.4. There are now 83 units in the building some of which have been retained by the Respondent and are let by it, others are subject to long leases.

2.5. The majority of the leases were granted in 2016, at various times, but a number were not granted until 2017. The most recently granted, of the 62 recorded in the schedule of leases noted on the freehold title, was granted on 14th March 2018.

2.6. No criticism has been made of the allocation of the service charge liabilities between the units retained by the Respondent and we conclude accordingly that the Respondent had a significant 'personal' interest in ensuring both the efficiency and the quality of the management of the building.

3. The Respondent's liability to carry out remedial works to the lifts

3.1. The primary issue identified by the application relates to costs of £38,000.00 incurred in investigating and repairing the lifts. It was said that the Landlord had agreed to take responsibility for a proportion of those costs but not precisely how much.

3.2. The case advanced by Mr Liew in his Skeleton Argument and at the hearing focussed upon the following statement made in a letter dated 31st January 2019 from the Respondent's managing agent at the time, Parkgate Aspen, to all the leaseholders.

> "I am writing to update you regarding the lifts which have been out of service for some weeks due to some major issues arising from the installation.
>
> We obtained a quotation from the lift engineers for the necessary remedial works and secured the agreement of the landlord to pay for the majority of this which is down to the development works rather than service charges."

3.3. Mr Liew argued that this statement should be construed as a statement or admission upon which the Applicants were entitled to rely to the effect that the Respondent was responsible for carrying out, "the

necessary remedial works," to the lifts and that it was now estopped from resiling from that admission. This approach, he said, meant that the Applicants were using the statement as a shield not as a sword. The Respondent was now bound, he said, to do all the necessary works at its own cost. He said that the quotation to which Mr Ahmed, a director and witness for the Respondent, said the representation referred could not be the relevant quotation because, as Mr Ahmed accepted in evidence, it did not include any remedial works. However, he was unable to point to any specific quotation to which it did refer.

3.4. At points in his opening submissions Mr Liew seemed to say that it was an implied term of the leases that the premises were in repair as at the time they were granted. When it was pointed out that it was well-established that such a term would not conventionally be implied into a lease, he withdrew that submission but continued to submit that the express terms of the lease were to the same effect.

3.5. Mr Alford accepted in his closing submissions that Parkgate Aspen had ostensible, if not actual, authority to make representations of the sort made to the lessees in its letter of 31st January 2019. However, he contended for a much more limited construction of the statement. In his evidence Mr Ahmed explained that he had agreed with Parkgate Aspen that the Respondent would pay for all the work identified as being necessary to resolve problems with the lifts as identified in a quote from Griffin Elevators dated 18th January 2019 save for the cleaning of the lift shafts and pits (on the basis that this was maintenance and as such plainly within the service charge liability).

3.6. Mr Ahmed said, and we accept, that the Respondent did pay for those works at a cost of £8,137.50 plus VAT although, unfortunately, a duplicate invoice had been rendered to the agents and paid by them. A credit note for this overpayment was obtained from Griffin Elevators over the course of the adjournment and we were informed that the sum of £9,765.00 together with another duplicate invoice from Griffin in the sum of £2,395.00 would, correctly, be credited to the service charge account for the current year.

3.7. On this basis, the Respondent contends that, to the extent that it may be estopped, which it does not accept, it has discharged any obligation upon it.

3.8. It was common ground between the parties that if the Applicants are to succeed in establishing the promissory estoppel upon which they seek to rely, they must show:

3.8.1. That there was a reasonably clear assurance;

3.8.2. That it was intended to be relied upon; and

3.8.3. That it was actually relied upon.

3.9. All other things being equal, we would be minded to accept that there was a clear assurance given by Parkgate Aspen on behalf of the Respondent but that, insofar as it concerned any obligation to pay for work to the lifts, it related only to the quotation referred to in the letter as identified by Mr Ahmed. Although the precise sum was not stated in the letter, it appears it had been agreed with Parkgate Aspen. We also accept that the statement was intended to be relied upon by the lessees to whom the letter was sent. However, in our view it cannot realistically be suggested that either the Respondent or Parkgate Aspen intended the lessees to rely upon the assurance in Parkgate's letter of 31st January 2019 as an acceptance by the Respondent of responsibility for the cost of any and all necessary remedial work necessary to resolve problems relating to the installation of the lifts; the words used simply will not bear that construction.

3.10. Quite apart from all of that, however, Ms Tamiz, who was the only witness for the Applicant, was quite candid in her admission that she had not changed her position in reliance upon Parkgate's letter. She also, equally candidly, accepted that she had not been aware of the email correspondence passing between Parkgate and Mr Mozyrko on 24th January 2019 as follows:

> "Mr Mozyrko: I don't understand why we have to pay for the lifts maintenance and for every breakdown when the lifts never worked for the last 2.5 years when I live here ?! This suppose to be paid by Icona Homes as they've installed them and they should be responsible, furthermore, I think the lifts should have some sort of warranty ? If there was a warranty and its finished why you didn't react when it was time to do so ?"
>
> "Kamal Kapuwatte (Parkgate Aspen): Icona Homes has agreed to pay for the whole lifts to be re-installed last Friday evening, which is very good news for the residents of Swan Court. We have tested the voltage drop for both lifts from the electricity supplier as instructed by Griffin – the lift maintenance company. Re-installing the lifts will be schedule shortly and hopefully, we will be able to get to the bottom of this issue of breaking down the lifts quite often."

3.11. The statement that the Respondent had agreed to pay for both lifts to be reinstalled obviously went considerably beyond what was said by Parkgate in its letter of 31st January 2019 and we accept Mr Ahmed's evidence that it went beyond what had been agreed by Mr Ahmed with Parkgate on behalf of Icona Homes. Leaving that aside, however, in the absence of any evidence that the statement was relied upon by the lessees, including Mr Mozyrko who did not give evidence although he did attend the hearing, and/or that any such reliance was detrimental there can be no basis to hold that the Respondent is bound to bear the costs of reinstalling the lifts even if that obligation could be construed in such a way as to amount to a defence to a claim rather than a positive contractual promise.

3.12. We therefore conclude that on any view no estoppel arose and that any estoppel which did arise has now been discharged by the credit to be given in respect of the two Griffin Elevators invoices.

3.13. As to the claim that it was an express term of the lease that the lifts and/or the building would be in repair as at the date of the grant, we are unable to agree that such a term can be spelled out of the obligation upon the Respondent pursuant to Part 6 of the lease to keep the building in repair.

3.14. Insofar as the Applicants sought to modify their complaint to allege that a claim should have been made under the policy of insurance in respect of engineering expenses, a claim which was not identified until the hearing was in progress, we find that the policy was not intended to cover routine maintenance but rather damage resulting from either an accident or an emergency.

3.15. Insofar as it was alleged that a claim ought to have been made against the lift installer, again this was not a matter which was raised until the hearing. The idea that such a claim could possibly have been successful is supported by the report commissioned from Ardent Lift Consultancy by the Respondent in January 2021. That report suggests that the problems experienced with the lifts are due to the 'questionable' positioning and alignment of the guiderails and that, although the reliability of the lifts has improved, this is probably due to the installation having now 'bedded in' and the mis-positioning misalignment will probably be contributing to increased where on the components.

3.16. Mr Ahmed was questioned about the possibility of bringing a claim against Sheridans. His response was that if he had been sure that they were to blame, he would have done. He said that he had spoken to Sheridans and that they had produced to him their commissioning certificates on the basis of which he had elected not to proceed with a claim. We understood, although this was not absolutely clear, that the report from Ardent was commissioned afterwards and it may be that a claims in respect of the installation of both lifts is still possible given the dates of the commissioning certificates.

4. <u>Cleaning charges</u>

4.1. The Applicants challenged the quality of the cleaning services delivered by Armour Property Services. They said that the standard of cleaning, which had previously been notably poor, improved significantly after Fox Maintenance Services was appointed in August 2020 after

responsibility for the management of the building passed to JFM Block & Estate Management. That was the opinion expressed by Ms Tamiz in her evidence; again, she properly accepted that this was to some degree a matter of opinion. However, it was an opinion apparently shared by JFM which said in its letter to the leaseholders dated 28th October 2020:

> "I have been monitoring the cleanliness during my site visits and have recorded issues and taken pictures of sub-standard cleaning where noted. Initially we tried to work with the incumbent cleaning contractor to raise standards but have since decided to put the contract out to tender and have served notice to the current cleaning contractor. It is evident that the cleaning undertaken to date has not met with the standards required by residents with a more attentive and conscious (*sic*, presumably conscientious) cleaning company in place, I am sure you will agreed, it will improve the condition of the building."

4.2. Mr Ahmed in his evidence said, in effect, 'you get what you pay for', by which he meant that it would be an easy thing to add more cleaning visits, it would only be necessary to pay more. That view is not borne out, however, by the fact that Fox was, if anything, slightly cheaper than Armour.

4.3. In our view, it is clear that the level of service delivered by Armour was poor; below the standard reasonably to be expected for the contract price. The assessment of the extent to which it fell below the level reasonably to be expected is inevitably a matter of imprecise impression but in our view it is appropriate to reduce the sums charged by Armour in the relevant years of account by 10%.

5. Management charges

5.1. This challenge also only emerged in the course of the hearing and was not fully developed. It was not seriously disputed that the Respondent had been extremely dilatory in providing the Applicants with the

material to examine and effectively challenge the service charges demanded of them. Delays in providing the relevant documents, including the quotation to which Parkgate's letter of 31st January 2019 referred (which was not produced until the first day of the hearing was already in progress), have certainly contributed to the launching of this application and to the speed with which it was resolved. Indeed, having originally been listed for hearing over one day it was necessary for the matter to be adjourned over to a further date during the course of which adjournment further documents and a witness statement from Mr Day, of JFM, were produced with the result that many of the matters in dispute were resolved. Mr Alford realistically accepted that it was the consequence of this late disclosure and the delays consequent upon it that his client would have to bear the costs of the adjournment, at the least.

5.2. However, whilst we accept that the timely production by managing agents of the documents necessary to support claimed service charges for inspection by lessees is one of the functions which managing agents may be required to perform, it is by no means the only one. On the whole it seems to us that this large newly converted block has been reasonably well managed for a cost of £258.00 per unit including VAT. In our view that is a reasonable charge for the service provided overall. Any matters arising out of the failure of the agents to engage with pre-action correspondence and any failures to provide documents will sound better in costs than in service charge in our view.

6. Specific challenges

6.1. Our decisions in respect of the challenges made to specific charges which the Respondent seeks to recover by way of service charge are set out in the Schedule hereto.

7. Conclusions

7.1. For these reasons we conclude as follows:

7.1.1. Given the Respondent's agreement to give the lessees credit for the credit notes recently issued by Griffin against the service charge account, there is no basis for any challenge to the recovery by the Respondent of the cost of putting the lifts into repair.

7.1.2. The charges of Armour Property Services for the cleaning of the building were not commensurate with the level of service which it provided and for that reason the charges made in respect of its services should be reduced by 10%.

7.1.3. There are no valid grounds to challenge the level of the management fees charged by either Parkgate Aspen or JFM.

7.1.4. So far as the specific challenges made by the Applicants are concerned, we have rejected all of them other than those marked in red in the Schedule.

7.2. So far as costs are concerned, there can be no doubt that the failure of the Respondent and its managing agent to deal with the legitimate questions posed and demands for disclosure made by the Applicants in a timely manner fully justified the Applicants in making the application which they did. The fact that their challenges have ultimately been shown not to be well-founded cannot deflect the blame for that from the Respondent. In our view it is highly likely that, but for the dilatory way in which this matter has been handled, the application would not have been brought. For these reasons we grant the Applicants' applications for an order pursuant to s. 20C that the costs of this application ought not to be recoverable by way of service charge.

7.3. So far as the costs of the adjournment are concerned, as we have said, Mr Alford accepted that it was a necessary condition of the permission which he sought for his client to adduce yet further evidence that it should pay the costs of and occasioned by the adjournment which we summarily assess in the sum of £720.00 including VAT.

APPENDIX 1- RIGHTS OF APPEAL

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 Tribunal 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 for 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 (i.e. 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.

APPENDIX 2

RELEVANT LEGISLATION

[20C Limitation of service charges: costs of proceedings]

[(1) A tenant may make an application for an order that all or any of the costs incurred, or to be incurred, by the landlord in connection with proceedings before a court[, residential property tribunal] or leasehold valuation tribunal [or the First-tier Tribunal], or the [Upper Tribunal], or in connection with arbitration proceedings, are not to be regarded as relevant costs to be taken into account in determining the amount of any service charge payable by the tenant or any other person or persons specified in the application.

(2) The application shall be made—

(a) in the case of court proceedings, to the court before which the proceedings are taking place or, if the application is made after the proceedings are concluded, to [the county court];

[(aa) in the case of proceedings before a residential property tribunal, to a leasehold valuation tribunal;]

(b) in the case of proceedings before a leasehold valuation tribunal, to the tribunal before which the proceedings are taking place or, if the application is made after the proceedings are concluded, to any leasehold valuation tribunal;

[(ba) in the case of proceedings before the First-tier Tribunal, to the tribunal;]

(c) in the case of proceedings before the [Upper Tribunal], to the tribunal;

(d) in the case of arbitration proceedings, to the arbitral tribunal or, if the application is made after the proceedings are concluded, to [the county court].

(3) The court or tribunal to which the application is made may make such order on the application as it considers just and equitable in the circumstances.]

[27A Liability to pay service charges: jurisdiction]

[(1) An application may be made to [the appropriate 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.

(2) Subsection (1) applies whether or not any payment has been made.

(3) An application may also be made to [the appropriate tribunal] for a determination whether, if costs were incurred for services, repairs, maintenance,

improvements, insurance or management of any specified description, a service charge would be payable for the costs and, if it would, as to—

(a) the person by whom it would be payable,

(b) the person to whom it would be payable,

(c) the amount which would be payable,

(d) the date at or by which it would be payable, and

(e) the manner in which it would be payable.

(4) No application under subsection (1) or (3) may be made in respect of a matter which—

(a) has been agreed or admitted by the tenant,

(b) has been, or is to be, referred to arbitration pursuant to a post-dispute arbitration agreement to which the tenant is a party,

(c) has been the subject of determination by a court, or

(d) has been the subject of determination by an arbitral tribunal pursuant to a post-dispute arbitration agreement.

(5) But the tenant is not to be taken to have agreed or admitted any matter by reason only of having made any payment.

(6) An agreement by the tenant of a dwelling (other than a post-dispute arbitration agreement) is void in so far as it purports to provide for a determination—

(a) in a particular manner, or

(b) on particular evidence,

of any question which may be the subject of an application under subsection (1) or (3).

(7) The jurisdiction conferred on [the appropriate tribunal] in respect of any matter by virtue of this section is in addition to any jurisdiction of a court in respect of the matter.]

Schedule – Challenges to specific charges

Year ending 2019

[436]-[441]: invoices not rendered in FY2019, **£3,723**.

Decision: These are cleaning invoices for the y/e 2019 and recoverable as such.

[457]-[459]: in relation to communications device in-flat, **£664**.

Decision: These invoices relate to the intercom handsets in a lessee's flats, however, the handsets are integral to the functioning of the communal door entry system. On the assumption that any damage to the handset was not caused by the lessee, which was not suggested, the charge is properly a communal rather than a lessee specific one.

[485]: health and safety, outside scope of lease for leaseholders to pay for landlord to get legal advice, **£120**.

Decision: This was a business resource for the benefit of the managing agent. On this basis, the Respondent accepted that it should not been charged to the lessees. It is properly part of the cost to the managing agent of providing its service.

[497]: landlord's neglect in cable management, **£90**.

Decision: This charge relates to work to an electronic sign caused by items being thrown on the cable powering it. There was no evidence as to the precise cause of the damage in this case and where any fault in respect of it may have lain. Things do get damaged by accident and there is nothing in this case to suggest that this cost was unreasonably incurred.

[503]: inspection of a system which does not exist, **£234**.

Decision: This charge relates repairs to a lightning rod. The Respondent accepted that there was no lightning rod fixed to this property and conceded that the charge not recoverable under the lease.

[509]: 10 key fobs for no good reason, **£222**.

Decision: Mr Ahmed explained that these key fobs were required for the contract cleaners. As such they are properly recoverable.

[512] and **[514]**: duplicative work, **£216**.

Decision: This is routine maintenance, see 515, and recoverable.

[523]: painting in-flat, partially reimbursed by insurance, **£350 excess**.

Decision: This charge relates to damage caused by a leak elsewhere in building. On that basis and on the basis that the small additional charge to the leaseholders as part of the total costs of the works represented a sensible exercise of the discretion conferred upon the landlord by Part 7 1(d) this charge is recoverable.

[527]: relates to Lampton Estates Limited (Ashleigh Court), **£16.66**.

Decision: The Respondent accepted that this charge had been wrongly made to the lessees.

[528] and **[530]**: duplicate invoice, **£41.08**.

Decision: The Respondent accepted that these invoices were duplicates and that only one was chargeable. However, it maintained, through counsel that the invoice was not double counted but that there was a missing March invoice. Mr Alford urged us that we should not be unduly concerned about the March invoice. We do not

accept that submission. Having been challenged and having accepted that these were duplicate invoices, it was incumbent upon the Respondent to produce the relevant invoice. It has failed to discharge that onus and the sum claimed should not therefore be recoverable.

[529] and **[531]**: copying and postage disbursements, not under lease, **£102.68**.

Decision: Varying explanations of these charges were given but it is apparent from the rubric at the foot of the invoice that they relate to bank charges associated with the collection of service charge. There is accordingly no reason why they ought not to be recoverable.

[534]: rigid plastic sign for bin store, **£42.66**.

Decision: This is clearly an appropriate charge associated with the maintenance of common parts.

[536]-[538]: 2 annual visits and one half-annual visit in a year, **£984 excess**.

Decision: For reasons which are unclear the invoices rendered by Aqua Technologies Europe Ltd describe 'annual' water monitoring and sampling charges. Mr Day's evidence, however, was that these checks are required to carried out biannually and that they were. There is nothing to suggest that these invoices were not rendered in good faith in respect of work done or that they are duplicates. We therefore accept that the charges made a recoverable.

[589]: only one invoice for £769.39 for the year, claimed amount is double, **£769.39 excess**.

Decision: We consider that the apparent double charge is explicable as an accrual in respect of charges made across years of account.

Bank charges: **£140**.

Decision: This is a standard account holding charge and recoverable.

Total allowed in respect of challenged items for y/e 2019 = £3,621.81

Conceded overcharge for lifts of £12,160.20 across 2 invoices.

Year ending 2020

Originally disclosed invoices challenged at first hearing

[680]: pest-proofing particular flat, **£92.40**.

Decision: This charge relates to an infestation from outside the specific flat in relation to which the works were carried out. It is chargeable.

[686]: replacement of lights at 1-8 Waterstone Street, not address of Property, **£153.11**.

Decision: Waterstone Street is a typographical error for Waterhouse St, i.e. part of the Common parts. Recoverable.

[696]: electrician attended at address in Croydon, not address of Property, **£180**.

Decision: Although the address given is incorrect, in the sense that it is the address of the Respondent's head office, the invoice makes it clear that these charges nevertheless do relate to Swan Ct. Recoverable.

[699]: service charge incurred for internal paint works in flat. Partially reimbursed by insurance, **£500 excess**.

Decision: This is an insurance excess in respect of works of repair to a leak which affected various part of the building. As above acceptance by the Respondent of responsibility for this cost as part of a larger scheme of works is reasonable and within the scope of Part 7 1(d).

[713]: client account administration, unknown how sums incurred, **£108**.

Decision: These appear to be bank charges for the year and as such recoverable.

[715]: residential service charge for Smith & Williamson, not part of lease, **£43.85**.

Decision: It is unclear to what this charge relates but is not apparently this building. As such it is not recoverable.

Newly disclosed invoices (references to labelled page numbers in exhibit, add 3 for electronic numbering) excluding originally disclosed invoices

[19]: no reason for expenditure in relation to paper covid signs, **£120**.

Decision: It was reasonable to put up signs and someone needed to be paid to do that work in order to try to keep the environment safe. This was the call out charge for that work and reasonably incurred. Recoverable.

[31]-[32]: window adjusted to close properly on 10/03 and returned again on 12/03 to close it, duplicative work, **£300**.

Decision: This is a reasonable maintenance charge. Recoverable.

[38]: sums should have been claimed from flat which caused the damage, **£90**.

Decision: As above, acceptance by the Respondent of responsibility for this cost, as part of a larger scheme of works, was reasonable and within the scope of Part 7 1(d).

[40]: bin store signs had already been invoiced in 2019, see [534] of bundle, **£42.66**.

Decision: There is no reason to think that these are not replacement signs. Recoverable.

[72]: service location is not the Property, also client cancelled job on arrival, **£144**.

Decision: The Respondent accepted that this charge had been misallocated.

[73]: leak from Flat 41, account statement writes off other payment entry at [76] by stating that Flat 41 had to pay for the damage, this is not written off, **£720**.

Decision: Mr Day accepted in his evidence that it was not clear that this cost had been recovered from Flat 41 as it should have been but said that he believed it had been. In light of that admission on Mr Day's part we agree that this debt should not have bee written off and insofar as the payment has not been recovered from Flat 41 it should be.

[78]: duplicate annual water monitoring visit, see earlier annual visit at [43], **£924**.

Decision: We have considered this point above. The cost is biannual and recoverable.

[86]: no reason for tenants to pay for insurance premiums for landlord's legal expenses, not covered by Part 5 of the Lease, **£273.30**.

Decision: The Applicants objected to this charge on the ground that it was not within the scope of the charges permitted to be recovered under the lease. We do not accept that submission. We consider that the reference in Part 5 1(d) to professional and other fees and incidental expenses consequent on repairing, rebuilding or reinstating following damage from an insured risk could be read disjunctively although we would accept that that is probably not its proper construction. Nevertheless, we consider that pursuant to Part 7 1(d) legal expenses insurance at this relatively modest cost was a reasonable and proper cost to incur for the better management of the block.

[112]: reason for urgent dehumidifier not known, **£312.60**.

Decision: It is not clear why this dehumidifier was required but we accept that it was and that there is no reason to go behind the invoice.

[180]: no reason for tenants to pay for example lease and register, **£6**.

Decision: This was reasonable disbursement to incur on the handover of the management responsibilities to JFM.

Total recoverable: £3,102.07

The following challenges were withdrawn by the Applicants:

Others

[495] bundle: 2019 statement says carried forward into 2020 but no credit given in 2020 statement, **£108**.

Carried forward from 2018

[526] bundle: 2019 statement says carried forward into 2020 but no credit given in 2020 statement, **£192**.

[586]-[588] bundle: 2019 statement says carried forward into 2020 but no credit given in 2020 statement, **£967.50**.

Missing invoices: **£3,543.44**.