



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

Case Reference(s) : **BIR/00FY/LIS/2020/0046**

Property : **Leen Court Leen Gate Lenton Nottingham NG7
2HS/2HU/2HZ/2HR/2HT/2HX/2HY**

Applicants : **M & S Sahota (8 & 10 Hamilton)
A J Banks (4 & 5 Babbington)
A Z Witko (8 Gregory)
D R Allen (1 Bayley)**

Joining Applicants : **R Bacon (5 Bayley)
L B Jonsson (7 Bayley)
L Cooker (3 Trinity)
S Fletcher (5 Trinity)
J Cavey (1 Victor)
K Perry (5 & 6 Victor)
E Wass (7 Victor)
B Perry (8 Victor)
I Sims (6 Galeb)
L Scholter (10 Galeb)
S Prabhakaran & U Raghavan (7 Gregory)**

Representative : **K Perry/A J Banks**

Respondent : **Leen Court Management Ltd**

Joining Respondent : **R Thornton (9 Victor)**

Representative : **M Diggle - Counsel
H Mellowship – Nelsons Solicitors**

Type of Applications : **An application in respect of the liability to pay
and reasonableness of service charges under
section 27A of the Landlord and Tenant Act 1985**

and applications for Orders under section 20C of the Landlord and Tenant Act 1985 and under paragraph 5A of Schedule 11 of the Commonhold and Leasehold Reform Act 2002.

**Tribunal Members : V Ward BSc Hons FRICS
Judge M K Gandham
G Freckelton FRICS**

Date of Decision : 14 September 2022

**Date of
Supplementary
Decision : 24 November 2023**

**DECISION – INCLUDING SUPPLEMENTARY DECISION ON RESERVED
ITEMS**

The Tribunal’s original decision in respect of these applications reserved judgement in respect of several items where invoices had not been provided by the Respondent. Following that decision, the Tribunal ordered the production of these invoices, some of which were produced. This document now incorporates the Tribunal’s supplementary decision in respect of those items.

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Background

1. This is the Tribunal's decision in respect of applications in respect of the liability to pay and reasonableness of service charges under section 27A of the Landlord and Tenant Act 1985 in respect of Leen Court, Leen Gate Nottingham and also applications for Orders for the Limitation of the Respondent's costs in these proceedings under section 20C of the Landlord and Tenant Act 1985 and under paragraph 5A of Schedule 11 to the Commonhold and Leasehold Reform Act 2002.
2. The application was deemed withdrawn on 17 September 2021 under rule 11 of the Tribunal Procedure (First-tier Tribunal) (Property Chamber) Rules 2013 due to the non-payment of a hearing fee.
3. On 22 September 2021, the Tribunal received an application to reinstate the application. On 29 October 2021, the Tribunal reinstated the application.
4. On 28 January 2022, the Tribunal held a case management conference to discuss the future progress of the reinstated application. The Applicants were represented by Keith Perry, with Adam Witko in attendance, whilst David Marshall appeared for the Respondent.
5. The issues raised in the original application were as follows:

2016

Legal Fees & Accountancy
Staffing Costs
Repair Costs
Sundry & Depreciation

2017

Legal Fees & Accountancy
Staffing Costs
Repair Costs
Sundry & Depreciation

2018

Legal Fees & Accountancy
Staffing Costs
Repair Costs

2019

Staffing Costs
Repair Costs
Sundry & Depreciation

2021

Staffing Costs

6. During the case management conference, the Applicants advised that they wished to raise additional issues, over additional periods, from those originally proposed. On behalf of the Respondent, David Marshall, confirmed that they were happy to deal with all matters and provide any necessary documents.
7. The Applicants, as agreed, subsequently provided a list of the issues to be determined and the documents required in addition to those already provided. These included the following:
 - a) Accounts summary sheets for years ending 31/3/17, 31/3/18 and 31/3/19.
 - b) Invoices for service charge year ending 31/3/16 for Legal Fees & Accountancy, Staffing Costs, Repair Costs, Sundry and Depreciation. Plus, year end service charge statement.
 - c) Invoices for service charge year ending 31/3/20 for the same 4 categories. Plus, year end service charge statement.
 - d) Invoices for service charge year ending 31/3/21 for the same 4 categories. Plus, year end service charge statement.
8. The Directions of 18 February 2022 encompassing these items were agreed with the parties before issue.
9. The oral hearing relating to the application was held on 13 July 2022, the Tribunal and the parties considered (where evidence was available) the items set out above, and, accordingly, the decision to be issued by the Tribunal includes a determination of those items.

The Inspection

10. The Tribunal carried out an inspection of Leen Court on 5 July 2022. Present at the inspection was Mr J Cavey, one of the Applicants whilst the Respondent did not attend. Ms S Osbourne of the current managing agents, Franklins, facilitated the inspection.

11. From the information contained within the parties' submissions and gleaned from the inspection, the Tribunal would make the following comments in respect of the development itself.
12. Leen Court is a development of 71 flats formed out of a former tannery building situated approximately 2 miles to the west of Nottingham City Centre, in close proximity to Queens Medical Centre and elements of the campus of the University of Nottingham.
13. The building is of brick and tiled construction with flats on three floors and arranged in an L shape with a car park. There are elements of render and timber cladding to the main structure and additionally some flats benefit from timber balconies.

The Oral Hearing

14. An oral hearing was held on 13 July 2022. Members of the Tribunal were present in the hearing rooms at the Tribunal Hearing Rooms, 13th Floor, Centre City Tower, Hill St, Birmingham B5 4UU whilst the parties participated by video link.

Appearances

For the Applicants, Ms Banks (one of the Applicants) represented the Applicants during the oral hearing.

Other Applicants who participated included:

Mr J Cavey
Mr A Witko
Mr M & Mrs S Sahota
Ms L Jonsson

For the Respondent, Ms M Hardy (a Director of the Respondent Company)

Mr M Diggle Counsel of No 5 Chambers
Mr H Mellowship of Nelsons Solicitors

Preliminaries

Matters outside the Tribunal's jurisdiction

15. The Tribunal explained at the outset of the hearing that it could not deal with the following items that had been raised by the Applicants in their submissions:

- Transfer of the Car Park relating to the development.
- Governance of the company and changes to the Articles of Association.
(The above two items are potentially civil and/or criminal matters not falling within the jurisdiction of the Tribunal. The Applicants may wish to take legal advice in respect of those items)
- Retrospective costs relating to lease extensions.

The Tribunal explained that it simply had no jurisdiction to deal with these matters except where they impacted on the service charge and the payability and reasonableness of the same.

Lease Provisions relating to Service Charges.

16. There are two leases in place at Leen Court. The “original” leases which, from the copy provided to the Tribunal, appear to date from approximately 1987 and the “renewal” leases. The Tribunal finds it convenient at this point to summarise the service charge provisions cited by Mr Diggle during the consideration of the Scott Schedule in respect of each lease.

The “Original” lease

6: THE Lessee hereby covenants with the Lessor and with the owners and lessees of the other flats comprised in the building and leased by the Lessor that the Lessee will at all times hereafter:

(a).....

(b) (i) To contribute and pay one-seventy first of the costs expenses outgoings and matters mentioned in the Fifth Schedule hereto

THE FIFTH SCHEDULE before referred to

Costs expenses outgoings and matters in respect of which the Lessee is to contribute and in respect of which the Lessee’s contribution is One-seventy first part .

1: The expenses of and incidental to the running and administration of the Management Company whether or not the Management Company be also the Lessor

2: The expenses incurred by the Lessor in carrying out its obligations under clause 7 (b) (d) (e) (f) (g) and (h) of this Lease

3:

4:

5:

6:

7: All other expenses (if any) incurred by the Lessor in and about the maintenance and proper and convenient management and running of the building and the land in particular but without prejudice to the generality of the foregoing any expenses incurred in rectifying or making good any inherent structural defect in the building any interest paid or any money borrowed by the Lesser to defray any expenses incurred by it and specified in this Schedule any legal or other costs bona fide incurred by the Lessor in taking or defending proceedings (including any arbitration) arising out of any Lease of any part of the building or any claim by or against any Lessee or tenant thereof (other than a claim for rent alone) or by any third party against the Lesser as owner or occupier of any part of the building

8: The fees and disbursements paid to any managing agent appointed by the Lessor in respect of the building and to any auditor for the purpose of this Lease

9: The Lessor or the Lessor's managing agent shall keep proper books of account (which shall be available for reasonable inspection during normal business hours by the Lessee on notice) showing the expenditure incurred in this Schedule and the contributions thereto received from the Lessees of the flats

10: Any reserve funds shall be kept in separate accounts any interest on or income of the said funds shall (after deduction of any tax) be added to the funds which shall be held by the Lessor in trust for the Lessees of the flats and shall only be applied in accordance with the terms of the Schedule

11: The Lessor shall be entitled to employ contractors to carry out any of its obligations under this Lease and if any repairs redecorations renewals maintenance or cleaning are carried out by the Lessor itself not being the Management Company it shall be entitled to charge as the expenses thereof its normal charge (including profit) in respect thereof

The "Renewal" lease

Within the Renewal lease, the Fifth Schedule was deleted and replaced with the following:

*The Fifth Schedule
Services and Service Costs
Part 1. The Services*

1. *Services*

The Services are:

- (a) providing heating to the internal areas of the common parts during such periods of the year as the Landlord reasonably considers appropriate, and cleaning, maintaining, repairing and replacing the heating machinery and equipment;*
- (b) lighting the common parts and the Car Park and cleaning, maintaining, repairing and replacing lighting, machinery and equipment on the common parts;*

- (c) cleaning, maintaining, repairing and replacing the furniture, fittings and equipment in the common parts;*
- (d) cleaning, maintaining, repairing, operating and replacing security machinery and equipment (including closed circuit television) on the common parts;*
- (e) cleaning, maintaining, repairing, operating and replacing fire prevention, detection and fighting machinery and equipment and fire alarms on the common parts;*
- (f) cleaning, maintaining, repairing and replacing refuse bins on the common parts;*
- (g) cleaning the outside windows of the building;*
- (h) cleaning, maintaining, repairing and replacing signage for the common parts;*
- (i) maintaining any landscaped and grassed areas of the common parts;*
- (j) cleaning, maintaining, repairing and replacing the floor coverings on the internal areas of the common parts;*
- (k) providing security reception cleaning and maintenance staff for the building; and*
- (l) any other service or amenity that the Landlord may in its reasonable discretion (acting in accordance with the principles of good estate management) provide for the benefit of the tenants and occupiers of the building.*

Part 2. Service Costs

1. Service Costs

The Service Costs are the total of:

(a) all of the costs reasonably and properly estimated by the Landlord to be incurred of:

- (i) providing the Services;*
- (ii) putting aside such sums as shall reasonably be considered necessary by the Landlord (whose decision shall be final as to questions of fact) to provide reserves or sinking funds for items of future expenditure to be or expected to be incurred at any time in connection with providing the Services; and*
- (iii) taking any steps (including proceedings) that the Landlord considers necessary to prevent or remove any encroachment over the building or to prevent the acquisition of any right over the building as a whole or to remove any obstruction to the flow of light or air to the building as a whole;*

(b) the costs, fees and disbursements reasonably and properly incurred of:

- (i) managing agents employed by the Landlord for the carrying out and provision of the Services or, where managing agents are not employed, a management fee for the same;*
- (ii) accountants employed by the Landlord to prepare and audit the service charge accounts; and*
- (iii) any other person reasonably and properly retained by the Landlord to act on behalf of the Landlord in connection with the building or the provision of Services.*
- (iv) the costs of the salaries and employer costs (including pension, welfare and insurance contributions) and uniforms of security reception cleaning and maintenance staff for the building and of all equipment and supplies needed for the proper performance of their duties;*
- (v) All rates, taxes, impositions and outgoings payable in respect of the building, their use and any works carried out on them (other than any taxes payable by the Landlord in connection with any dealing with or disposition of its reversionary interest in the building); and*
- (vi) Any VAT payable by the Landlord in respect of any of the items mentioned above except to the extent that the Landlord is able to recover such VAT.*

Items marked on the Scott Schedule as paid out of Ground Rent

17. The Respondent's defence to some challenges within the Scott Schedule was "*Paid out of Ground Rent*". The Tribunal will detail its views on the Respondent's accountancy practice below, however, the accounts provided for the service charge years ending 2016, 2017, 2018 and 2019 were laid out with the following costs:

Service Charge Costs
Income from car park rental
Net costs to be met by service charge
Ground rent & service charges receivable

There is no separation of ground rent and service charge income and when challenged regarding accounting for ground rent income, Ms Hardy said that it was noted on the bank statements. If the Respondent had produced ground rent accounts detailing specifically ground rent income and costs paid out of that income (as directed), the Tribunal would have disallowed the challenge. However, as no evidence has been provided that these costs were paid out of ground rent income, the Tribunal will treat them as service charge cost items and consider the challenge accordingly.

Reasonableness and Payability of Service Charges

18. Before the commencement of the oral hearing, Mr Diggle was keen to emphasise that it is for the Applicants to prove that the stated charges were not reasonable, not for the Respondent to justify them and to this end he cited the case of *ASP Independent Living Limited v Godfrey* [2021] UKUT 0313 (LC) which concerned the reasonableness and payability of service charges, in particular, paragraph 7 of the same which states as follows:

It is well-established that where a lessee seeks to challenge the reasonableness of a service charge they must put forward some evidence that the charges are unreasonable; they cannot simply put the landlord to proof of reasonableness. See for example Schilling v Canary Riverside Development Ltd [2005] EWLands LRX26 2005)

And paragraph 26 regarding family connections:

The representations made on the lessee's behalf express suspicion about family connections between the landlord and Aginacre. That was not a matter to which the FTT could give any consideration; the only issue before it was the reasonableness and payability of the service charges.

19. The Tribunal accepts these points but, as an “expert” Tribunal, has also employed its own knowledge and experience of the subject matter.

Matters to be considered by the Tribunal.

20. At the hearing, counsel for the Respondent management company stated that the Tribunal was limited to a consideration of charges as specified in the original application as set out in paragraph 5 above. The Tribunal disagrees. As set out in paragraphs 6, 7 and 8, the additional items were agreed with the parties, who were also given the opportunity to comment on the directions of 18 February 2022 before they were issued. Accordingly, at the hearing, the Tribunal considered the additional items raised by the Applicants, where evidence was available.

Order

21. In their written evidence and also during the oral hearing held on 13 July 2022, the Respondent - Leen Court Management Ltd – stated that invoices for the periods stated below were all retained by a former managing agent of the development – Adam New, a Director of New Estate Management Limited, 14 – 16 Bridgford Road, West Bridgford, Nottingham NG2 6AB. These invoices were thus not made available to the Applicant leaseholders to consider.

1/4/2018 to 31/3/2019

1/4/2019 to 31/3/2020

1/4/2020 to 31/3/2021

22. The Tribunal has issued an Order to Adam New of New Estate Management Limited under Rule 20 of the Tribunal Procedure (First-tier Tribunal) (Property Chamber) Rules 2013. Rule 20, in so far as is relevant to this matter, states as follows:

Summoning of witnesses and orders to answer questions or produce documents

20.—(1) *On the application of a party or on its own initiative, the Tribunal may—*

(a).....

(b)order any person to answer any questions or produce any documents in that person's possession or control which relate to any issue in the proceedings

(2).....

23. The Order requires the information to be delivered up in 21 days. The Tribunal will issue further directions at the expiry of this period. The Tribunal therefore reserves judgement in respect of the challenges to these invoices and will issue a supplementary decision in due course in relation to the same. A copy of the order is attached to this decision as Appendix Two.

The Law

24. The relevant legislation is set out in Appendix One to this decision.

Scott Schedule Items

25. Prior to the hearing, the Tribunal had directed the parties to complete a Scott Schedule to identify the issues. A copy of the same is incorporated into this decision at Appendix Two. Within the same, the Applicants had to indicate the charges they took issue with and why, and what they would consider to be a reasonable cost (if any) for the item in question and the Respondent, the justification for the charge, both in terms of the service charge provision in the lease and the reasonableness of the same. The Tribunal used the Scott Schedule as a running order for the oral hearing. The information included within the Schedule is not repeated in the paragraphs below, only a summary of the additional comments made by the parties either during the hearing or in their written

submissions. The Tribunal finds it convenient to set out its finding beneath the parties' comments.

26. Item 1 Invoice from Rowley Surveying. Survey of car park for new parking arrangements.

Applicant

The Applicants contend that there was no issue with the original lease plan and car parking layout and that since the adjustment there are fewer spaces available.

Respondent

The justification for this charge was that the car parking plan attached to the original leases was inaccurate and a revised plan was required for attachment to the new leases.

Tribunal

The Respondent's justification of this item was unconvincing, and it appeared to the Tribunal that these costs were incurred as a result of an element of the car park being transferred to a third party.

Costs disallowed.

27. Item 2 Invoice from Curtis Parkinson for preparation of Sellers Pack

Applicant

This information should have been readily available to a Property Manager.

Respondent

The justification for this charge was that it was necessary to provide documents including insurance certificates, accounts, and asbestos reports etc and discuss the same, presumably with potential buyers.

Tribunal

These documents should be available to any Property Manager and in the experience of the Tribunal are universally charged to either the vendor or buyer of the subject property not back to the development's service charge account.

Costs disallowed.

28. Item 3 Invoice from Taylor Bracewell - review and amendment of Articles of Association.

Applicant

The Applicants consider that there was no contractual liability for this charge and, further, it strengthened the Directors position in terms of governance of the management company and there was no consultation in respect of the same.

Respondent

The justification for this charge was that the existing articles were not fit for purpose.

Tribunal

The issue of whether the amendments to the articles was lawful is not something this Tribunal has the jurisdiction to deal with. The Tribunal cannot therefore look behind the scenes at this charge and must therefore take the Respondent's assertion at face value, there being no evidence that the changes were not agreed to at the time by the leaseholders.

Cost allowed.

29. Item 4 Invoice from Taylor Bracewell re legal works.

Applicant

The Applicants are of the opinion that there is no contractual liability for advice regarding lease extensions and not all leaseholders have extended their lease.

Respondent

The Respondent state that this invoice related to legal advice regarding lease extensions and reserve fund matters.

Tribunal

Any costs relating to lease extensions should have been borne by the parties to the same and not the general service charge account. The invoice makes no mention of reserve funds.

Costs disallowed.

30. Item 5 Invoice from Cutis Parkinson relating to missing restrictions on property registers.

Applicant

The Applicants are of the opinion that there is no contractual liability for this invoice.

Respondent

The justification for this charge was that it related to legal advice regarding missing restrictions on property registers and correction of the same at the Land Registry.

Tribunal

The Respondent's justification of this item was not convincing, and the wording of the invoice was vague. Although the Tribunal considered that the costs may have been a justifiable expense for the freeholder, as previously mentioned, there was no evidence that it had been paid from the income from the ground rent.

Costs disallowed.

31. Items 6, 7 & 13 Invoices from Taylor Bracewell and Curtis Parkinson

Applicant

The Applicants are of the opinion that the sending out of service charge demands should be the function of a property manager.

Respondent

The justification for these charges was that it was a reasonable fee and permitted under the terms of the lease.

Tribunal

The issue of service charge demands is a basic function that would be expected of any property manager

Costs disallowed.

32. Items 8, 9 & 10 Invoices from Towne & Co for accountancy services

Applicant

The Applicants contend that the accounts produced do not meet with property industry standards i.e. as per RICS Guidance. The Applicants consider 50% of the invoices would be reasonable in acknowledgement of other accountancy functions undertaken.

Respondent

Charges of this nature are permitted under the terms of the lease.

Tribunal

The Tribunal agrees with the Applicants. The accounts produced are not of the standard that would be expected in respect of a development of this size and there is a complete lack of detail. Again, agreeing with the Applicants, the Tribunal notes that some functions such as statutory filing obligations were presumably carried out.

Costs 50% allowed.

33. Item 11 Invoice from Taylor Bracewell regarding Landlord fire safety obligation letters

Applicant

The Applicants are of the opinion that the production and distribution of letters of this type should be the function of a property manager.

Respondent

The justification for these charges was that it was a reasonable fee and permitted under the terms of the lease and followed increased regulation as a result of the Grenfell Tower fire.

Tribunal

The sending out of such standard letters is again a basic function that would be expected of any property manager.

Costs disallowed.

34. Item 12 Invoice from Taylor Bracewell regarding single alternative inspection location

Applicants

The Applicants contend that there was no need to use a solicitor for this function

Respondent

The Respondent's justification for this charge was that it was a legal requirement.

Tribunal

A SAIL (Single Alternative Inspection Location) is an alternative location to the registered office, where company records can be kept and made available for public inspection. If it were decided that one was required, the offices of the managing agent would usually suffice. There is no justification for using a solicitor's office for this purpose.

Costs disallowed.

35. Items 14, 15 & 16 Invoices for Legal and Accountancy Services

See paragraphs 21, 22 and 23.

The Tribunal reserves judgement in respect of these items.

36. Items 17, 18 & 19 Invoices from Maria Hardy relating to her employment as a Property Manager.

Applicants

The Applicants state that any reasonable amount for Ms Hardy's employment should be limited to what could be achieved in the market for a professional property manager two of whom have been employed for £14,200 and on the basis that Ms Hardy has no qualifications or experience, the Applicants believe the employment cost should be capped at £10,000 and adjusted to represent the standard of service received. This is endorsed by the fact that Ms Hardy seems to have outsourced basic functions, for example sending service charge demands and letters which has been passed to Solicitors and estate management functions which have been passed to third party companies. A 50% reduction is deemed appropriate at £7,100.

Respondent

Within the Respondent's written statement and also in the hearing, Ms Hardy stated that her experience for the role came from her training at Bird, Wilford and Sale, solicitors, who the Tribunal understands at one point offered property management services, employment within a Halifax Estate agency branch and the fact that her father was involved in construction.

Tribunal

The salient question that the Tribunal must initially ask itself was whether it was reasonable to employ an individual to manage a development such as Leen Court, as both leases suggested that such an expense could be payable if reasonably required. The Tribunal cannot see that it is. Leen Court at 71 units is not a small development but neither is it of sufficient size to justify the employment of an individual even at minimum wage levels. The Tribunal agrees with the Applicants that a reasonable fee for the management of Leen Court by a professional firm experienced in this form of management would be in the order of £200 plus VAT per unit ie £14,200 plus VAT.

Even if the management company decided to employ an individual then that individual should have been experienced in block management which it does not appear to the Tribunal that Miss Hardy is; she had no managerial qualifications and limited experience to have been considered for the position and even the basic administrative functions were outsourced by her. The age of the original structure of Leen Court means that proactive management is required from an experienced manager or agent. In addition, the fact that it is a multi-floored building with wooden balconies could have led to serious consequences.

From the submissions of the Applicants, the management service provided appears to have been haphazard; there was no evidence presented of forward planning, regular inspections, leaseholder liaison or meetings and maintenance appeared to be of a reactive rather than proactive nature. The development was not managed in a professional manner.

The Tribunal agrees that a 50% reduction is appropriate to reflect the inappropriateness of employing Miss Hardy and the general of level of service provided.

Costs 50% allowed.

37. Item 20 Invoice from D Marshall to attend a meeting in Sheffield regarding lease extensions

Applicants

The Applicants consider this charge unreasonable as Miss Hardy could have attended.

Respondent

No justification provided.

Tribunal

Costs regarding lease extensions should not be borne by the service charge account.

Costs disallowed.

38. Item 21 Invoice from D Marshall to cover Miss Hardy's holiday

Applicants

The Applicants consider this cost unreasonable.

Respondent

The justification for this charge was that it was based on a day rate plus site visits

Tribunal

The award made by the Tribunal in paragraph 30 above is the total amount allowed by the Tribunal in any one year for management. This item is therefore not allowed.

Costs disallowed.

39. Items 22, 23 & 24. Invoices from Maria Hardy relating to her employment as a Property Manager.

The Tribunal's comments in respect of Miss Hardy's employment as made in paragraph 36 above are relevant here.

In respect of the redundancy payment, it was not reasonable for the Respondent to employ an individual to manage the development hence this cost is disallowed.

Redundancy costs disallowed.

40. Items 25 – 40 & 43, 48 – 50, 52 & 53. Invoices from Pelliere, In and Out Property Services, LGCP and DBL Services

Applicant

The Applicants note that there were no alternative quotations provided for the works that generated these invoices, the companies concerned were connected to the Management Company Directors and it appears that the payments were very often paid on the basis of the quotation rather than an invoice. There was no perceivable effort to achieve best value for the leaseholders. The Applicants do, however, concede that some works were done.

Respondent

These charges relate to general management items such as cleaning, site maintenance etc and also a variety of repairs to the development and as such they were fully permitted under the terms of the lease.

Tribunal

If a management company wishes to use a connected party contractor, then the lessees should, in an ideal transparent world, be made aware of this fact and alternative quotations obtained. However, the fact that this wasn't done isn't justification for the Tribunal to disallow these costs without other evidence, particularly since the Applicants accepted that the items were payable as service charge and that some works were done. Taking into account the decision in *ASP Independent Living Limited v Godfrey*, there is no basis or rationale for the Tribunal to disallow these costs even partially as the Applicants had not shown that the costs were unreasonable.

Costs allowed.

41. Item 41. Invoice from DBL Services relating to works required by Fire Risk assessments

Applicant

The Applicants made similar comments in respect of this invoice as in paragraph 34 above but also considered the works of poor quality.

Respondent

The Respondent stated that these works were carried out as a result of them being identified as being necessary by Fire Risk Assessments of the development (which were exhibited). In addition, they are justified under the terms of the lease.

Tribunal

The Tribunal had the benefit of inspecting the fire doors which formed the principal element of these works. Although Fire Risk Assessments had been carried out, the doors themselves were badly fitted with many seals missing and the installation, generally, appearing of poor quality. Accordingly, as the Tribunal considers that some of the works were not completed to a reasonable standard, it considers a reduction in the costs is appropriate.

Costs 50% allowed.

42. Items 42 & 44. Invoices from Helen Pickford for website design and maintenance

Applicant

The Applicant consider that that these costs were not value for money and stated that the website itself was not in operation for very long.

Respondent

The Respondent stated that these works were chargeable under the terms of the lease and that the site itself was interactive.

Tribunal

A website can be justified under the terms of the lease and, used proactively, can help the management of the development and be of assistance to lessees. The costs appear reasonable and payable to the Tribunal.

Costs allowed.

43. Items 45, 46 & 47

See paragraphs 21, 22 and 23.

The Tribunal reserves judgement in respect of these items.

44. Item 51 – Car Park Refund

Applicant

The Applicant consider that that this cost should not form part of the service charge account.

Respondent

The Respondent stated that this amount related to a refund of a car parking fine.

Tribunal

The Tribunal cannot see that this cost is justified or payable under the terms of the lease.

Costs disallowed.

45. Items 54, 55, 56 & 57

See paragraphs 21, 22 and 23.

The Tribunal reserves judgement in respect of these items.

Applications for Orders under section 20C of the Act and under paragraph 5A of Schedule 11 of the Commonhold and Leasehold Reform Act 2002.

39. The Applicants requested the Tribunal make orders to the effect that they should not have to pay any of the Respondent's costs incurred during these proceedings via the service charge, and that any costs they may be liable for under any clause in the lease allowing the Respondent to charge an administration charge for their costs should not be payable.
40. The Tribunal invited submissions in respect of these applications during the hearing. The Applicants made comments to the effect that they were forced to bring the proceedings before the Tribunal to obtain service charge information, after exhaustive efforts to obtain the same via requests of the Respondent, and that it would be grossly unfair if they were forced to be responsible for the costs of the same. On behalf of the Respondent, Mr Diggle made the comment that the Tribunal's decisions in this regard usually followed the substantive decision.
41. The purpose of section 20C is to give the Tribunal the power to prevent a landlord actually recovering its costs via the service charge when it was not able to recover them by a direct order from the Tribunal.

42. In *Tenants of Langford Court (Sherbani) v Doren Limited LRX/37/2000*, which concerned an application for the appointment of a manager under section 24 of the Landlord and Tenant Act 1987 in which the applicant tenants had been successful, the Lands Tribunal (Judge Rich QC) made the following remark:

“28. In my judgement the only principle upon which the discretion should be exercised is to have regard to what is just and equitable in all the circumstances. The circumstances include the conduct and circumstances of all parties as well as the outcome of the proceedings in which they arise.”

43. However, there is also guidance in previous cases to the effect that an order under section 20C is to deprive the landlord of a property right and it should be exercised sparingly (see for example, *Veena-v-Chong*: Lands Tribunal [2003] 1EGLR175).
44. The management of Leen Court could, at best, be described as opaque, the Tribunal finds that the Applicants had no option but to commence Tribunal proceedings in order to obtain information and, as has been shown above, they have enjoyed considerable success in their challenges.
45. Accordingly, the Tribunal makes an order under section 20C of the Act that the Respondent’s costs of these 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 Respondents. It also makes an order under paragraph 5A of Schedule 11 of the 2002 Act that the Applicants’ liability to pay any litigation costs incurred or to be incurred by the Respondent in connection with these proceedings is extinguished.

Appeal

46. Any appeal against this decision must be made to the Upper Tribunal (Lands Chamber). Prior to making such an appeal the party appealing must apply, in writing, to this Tribunal for permission to appeal within 28 days of the date of issue of the supplementary decision (or, if applicable, within 28 days of any decision on a review or application to set aside) identifying the decision to which the appeal relates, stating the grounds on which that party intends to rely in the appeal, and stating the result sought by the party making the application.

V Ward

Supplementary Decision in respect of Reserved Items.

1. During the original hearing, the Respondent stated that many invoices were not in their possession as they had been retained by New Estate Management Limited, who were briefly employed as managing agents for the development. Judgement was reserved in respect of those items and an Order issued to New Estate Management Limited for the release of these invoices.
2. A response to the Order was received by the Tribunal on 29 September 2022 from Adam New a Director of New Estate Management. It was as follows:

Further to your order of the 14th September 2022 we do not hold any of the information relating to your order for the reasons set out below.

I understand that your order requests copies of invoices for the stated service charge periods as a result of submissions made by the Respondent, Leen Court Management. These submissions are false and misleading. My reasons for this opinion are set out below. Unfortunately this is indicative of my experience with the Respondent who routinely mislead myself and the Applicants regarding the management of Leen Court.

We did not become involved in Leen Court until around October 2019 and formally engaged on the 1st December 2019. Accordingly we had no involvement during the financial year running the 1st April 2018 to the 31st March 2019. We never had sight nor possession of any documents relating to that period.

We were only partially involved in the financial period running between the 1st April 2019 to the 31st March 2020. We never had sight or possession of any documents prior to our appointment, Moreover, all documents relating to the period from our appointment to the 31st March 2020 were provided to the Respondent's accountants on the 17th June 2020. A copy of that email is attached.

The Respondent made a complaint to the Police who duly investigated and obtained a court order to seize all information in our possession relating to Leen Court. Despite the passage of over 18 months neither me or my Solicitor have been made aware of any further action and nor have we received back into our possession any of the items seized.

I trust this clarifies.

3. From the response to the Order, the Tribunal considered that substantially all of the financial information relating to the periods in question was available to the Respondent and directed that it be delivered up to the Applicants for them to consider.

4. As a result of the Direction above, some of the outstanding information was provided however there were significant gaps in the same including whole tranches of invoices missing.
5. The Tribunal held a case management conference on 21 February 2023 to agree a timetable for the determination of the remaining items. The Applicants were represented by Alison Banks, with David Allen, Emma Wass, Andrew Bramley and Michael Sahota in attendance, whilst David Marshall appeared for the Respondent.
6. The outstanding information was discussed. The Tribunal considered that it was implausible that this information wasn't available to the Respondent. Apart from the books and records that the Management Company should keep the appointed accountant who prepared the filed accounts must, for their own purposes have retained records for the same.
7. Further Directions (Directions Order No:6) were issued which instructed the Respondent to release the outstanding information to the Applicants. The Applicants were then instructed to set out their substantiated reasons why any of the costs were not reasonable, due and payable, by way of a written statement and also a Scott Schedule. The Respondent was then to respond to the same, explaining the justification for the charges identified by the Applicants and setting out why they were reasonable and payable, again by way of a written statement and Scott Schedule.
8. An oral hearing was held by video platform on 31 August 2023. The Applicants were represented by Alison Banks, with David Allen, Emma Wass, Andrew Bramley, and Mr & Mrs Sahota in attendance. No one attended on behalf of the Respondent.
9. The Tribunal finds it convenient to initially set out general comments made by the parties in their respective statements.

The Applicant

10. The Applicants' statement covered the following items:

- a) Missing Invoices.

There are many invoices itemised by the Applicants in Direction 6, where invoices have not been provided by the Respondent. For the years ending 2019/2020/2021 discrepancies were itemised by the Applicant which formed part of the Directions 6 and previous directions. Most of the invoices have still not been provided. For the year ending 2022, no

invoices have been provided at all, nor a Service Charge Statement, both of which should be available from the Respondents. Without supporting documentation, there is no evidence whatsoever that the services provided were reasonable. The Service Charge Statement was received from Franklins (the current managing agents) on 14 April 2023, not from the Respondent, despite being first requested 6 months ago by various Leaseholders.

According to Franklins, the Directors were very slow to sign off the 2023 accounts.

If the invoices are indeed unavailable, the Respondents are acting in breach of s.21(6) Landlord and Tenant Act 1985 s.1212 Companies Act 2006. We also note that the statutory financial statements for the years ended 31 March 2019, 2020, 2021 2022 for Leen Court Management Ltd were filed with Companies House. We therefore conclude that the Respondents should have this information available, but it is not forthcoming. There are no Bank Statements provided, despite requested as per Directions 6. This was deemed the only clear way for the Applicants and Tribunal to consider the underlying transactions and especially where there seems to be a complete lack of invoices for 2020/2021 year.

b) Poor Accounting.

Although meeting the minimum legal requirements for service charge accounts, the accounts do not conform to good practice as prescribed under the RICS/ICAEW Guidance Note for preparation and presentation of service charge accounts, which were provided to the Respondents and Tribunal on the 4 February, 2022 specifically:

i) The Service Charge Accounts and Company House filing have been prepared without a full set of invoices. Apart from the books and records that LCM should keep, the appointed accountants, who prepared the filed accounts must for their own purposes have retained the records for the same.

ii) There are no comparatives or variances year on year (with any explanations), which would enable the reader to question potentially high or unusual levels of expenditure.

iii) There is no specific balance sheet for the service charge expenditure and Ground Rent and Parking Income, which would highlight the true financial position.

- iv) There are no explanatory notes.
- v) There are no disclosures in relation to transactions with Directors and their associated companies.
- vi) The service charge accounts are not signed.
- vii) There have been no yearly budgets presented in advance of Service Charge Demands.

We would therefore conclude that work performed by GoCardless on a standing order payment of £70.90 per month has been performed to an insufficient professional standard and question the value for money of this service. Accounts have been signed off and filed by them, without supporting paperwork. These Invoices have been added to the appropriate Scott Schedule. There is no paperwork as to their terms of service to support this level of remuneration. For this reason, only 25% of their costs should be allowed, acknowledging some level of service.

c) Inexplicable 2020/2021 Accounts

The service charge collected, as per the annual demand per flat equated to £90,747.94. Total outgoings as per the service charge statement was £23,742. The amount of £67,005.94, is unaccounted for and no invoices provided for these transactions. It is inconceivable that these are not available to the Directors who are responsible for providing fair and proper accounts as per the Companies Act. Any argument as to these not being available should rest with the Directors and their Agent at the time. This level of transparency should be available to all Leaseholders and should confirm reasonable spend of their money.

No Bank Statements have been provided, despite requested as per Directions 6. This was deemed the only clear way for the Applicant and Tribunal to consider the underlying transactions and especially where there seems to be a complete lack of invoices for 2020/21 year.

d) Accounts 2021/22 and Service Charge Statement not received, until 14 April 2023 from the Respondent.

These were requested along with accompanying invoices for all 4 categories as per Directions 6. Franklin Management has also been asked repeatedly for this information. Following the previous years' inexplicable accounts, a full set of invoices was requested. These accounts were filed with Companies House in Feb 2023. Again, it is

inconceivable that these accounts and associated invoices are not available and hence for the purposes of the Scott Schedule, totals have been estimated. The service charge statement has now been received from Franklins and so totals are now updated with actuals. Without a full set of invoices there is no evidence to suggest these services have been provided. According to Franklin Management, the Directors have not approached them for disclosure of these invoices, confirming they have made no attempt to provide information to the Tribunal.

e) Contractual Liability

The Lease sets out the extent of the Applicant's liability towards legal costs included within the service charge at paragraph 7 of Schedule 5. The material parts of that paragraph are replicated below for convenience:

"...any legal or other costs bona fide incurred by the Lessor in taking or defending proceedings (including any arbitration) arising out of any Lease of any part of the building or any claim by or against any Lessee or tenant thereof (other than a claim for rent alone) or by any third party against the Lessor as owner or occupier of any part of the building"

The costs included within the Scott Schedule that are being challenged under this head, are for company administrative matters, sending service charge demands and other communications, and many of considerable size for general legal advice. The Applicants claim that these costs have not been incurred pursuant to any proceedings either as claimant or defendant and therefore no contractual liability exists for the Applicants to contribute to the same by way of service charge.

f) Unreasonably Incurred

In addition, or alternative to the Applicant's claims of no contractual liability towards the legal fees incurred, the Applicants further claim that the legal costs specified in the Scott Schedule are unreasonably incurred on the following basis:

a. The costs incurred in respect of sending service charge demands and other communications are unreasonable because the Respondent employed a full-time employee to manage the Property, or an Agent (New Estate Management or Franklin Management). It is therefore reasonable to conclude that this activity was part of the responsibilities attached to that role.

b. The Applicants claim that the standard of service delivered by Miss Hardy, up to December 2019, has been extremely poor over the years. In particular, outsourcing basic functions to solicitors and other activities which do not benefit all Leaseholders. They are not chargeable e.g.:

Sending service charge demands and letters which has been passed to Solicitors.

Single alternative Inspection location address

Shareholder's request for Register of Members

These are not reasonable amounts to spend on basic administration or Estate Management when there is a Property Manager or Agent in situ.

c. Overuse of a Solicitor for unspecified legal services. There is no detail on the legal invoices, despite requests via the Directions so it is unclear to what extent a solicitor's services were required. The majority of queries should have been resolved by the Directors without calling in the services of a solicitor which escalated the issue and at vast cost to the Leaseholder. In many cases it was used to intimidate a frustrated Leaseholder asking probing questions. On many occasions Leaseholders were sent solicitor letters to silence and discourage further questions.

d. Contract Dispute with New Estate Management. The Leaseholders were burdened with large legal invoices relating to the contract dispute with New Estate Management. This was a personal dispute that should not have been financed by the Leaseholders.

g) Staffing payments

The poor service by Miss Hardy as Property manager has already been well documented. In the original decision 50% of all salary costs were disallowed and the £9,000 redundancy payment also disallowed.

In 2019/2020 payments were made to New Estate Management of £4707.40 for their management service for the period 1 December to 31st March 2020 (invoice available in supporting documents) plus salary payments were paid to Ms Hardy for the same 4 months of £9553.85 (no invoices available) hence double a payment for the same service. In addition, in this year Ms Hardy received a £9000 redundancy payment (disallowed in the earlier decision).

In 2020/2021, it is inconceivable to pay a further £5,000 redundancy, when an Agent was in situ. There is no supporting paperwork and no evidence that any service was provided. It also contradicts the Respondent's claim to the Tribunal that no staffing costs were paid in this financial year – see supporting documents. £4,710.60 was paid for staff costs (assume New Estate Management), but no paperwork or invoices available.

h) Unreasonable Spend of Service Charge on Repairs & Maintenance

Invoices received from the Respondents 2019/20 for repairs and maintenance contain many for fire related matters (weekly fire alarm testing required by law) and monthly security light testing (ELT or Flick test required by law). The Applicants challenge these as being haphazard and overpriced and delivered by a company 'Samson Services' which is related to Mr David Marshall, a Director of the Respondent. Samson Services has the same telephone number as LGCP and Mr Marshall is a Director of both LCM and LGCP. Weekly fire alarm testing is offered by Saracen at £108.00 per weekly test whilst Samson invoices indicate £155.00 per weekly test. Monthly security light testing (ELT or Flick test), also offered by Saracen at £120.00 with Samson invoices at £222.00. According to Franklin Management who are now arranging this service and as detailed in their budgets, this can be provided at a lower cost or £330 per month. The Respondents therefore challenge that all Fire alarm and ELT invoices from Samson are unreasonably high and therefore request that the difference is disallowed in favour of the Applicants.

i) Summary

In summary, the Applicants believe the Respondent, over these additional 3 years (year ends, 2020, 2021 and 2022) has acted unprofessionally and unreasonably with respect to our Service Charge money and when asked to prove otherwise have repeatedly failed to do so.

This is a conclusion reached because of the considerable number of missing invoices over multiple years, poor accounting whereby accounts have been filed, seemingly without supporting paperwork, a set of inexplicable accounts for year 2020/2021, whereby no attempt has been offered to explain the large variances. There is further evidence of overuse of a solicitor for simple administrative tasks plus considerable invoices for legal costs, unreasonably incurred (annually

£10,000 to £15,000), without explanation, but notably to engage legal counsel against Leaseholders or their Agent, all of which could have been resolved without the use of service charge monies.

Again, there is evidence of overinflated salary payments to the Property manager whilst the Agent was in situ plus an additional redundancy payment, paid by a Director to herself.

Finally, there is evidence of overcharging for Fire and Security testing services, whilst using a company related to a Director. A pattern noted from previous years. Services are haphazard and overpriced.

All the above has taken place whilst the Directors have failed to provide transparency, accountability and appropriate governance. There is still deep concern and frustrations amongst the Leaseholders who continue to believe that the Directors have been working against their best interests, culminating in an extensive list of unreasonable invoices or no invoices at all and hence misuse of SC funds.

We have been presented with no evidence to counter this conclusion.

The Respondent

11. General comments by the Respondent in their statement are as follows.

a) Accountancy

The fees were paid monthly by direct debit to accountant for services including PAYE, annual accounts, and providing service charge statements. Some invoices are not available, but payment is self-evident from the bank account statements provided. The service provided by the accountant met legal requirements and the work was permitted in accordance with the lease.

b) Invoices held by New Estates

The online link provided by New Estates to obtain previous invoices is no longer in operation. The Respondent therefore cannot provide what we no longer have access to. However, we know that the invoices were available at the time the accounts were produced and relate to a service permitted under Lease.

c) Invoices paid from Ground Rent

Invoices paid from Ground rent and other income, not from service charge, are not the subject of this determination. From April 2020 onwards, the Respondent did not directly collect or receive service charge monies. The sole income was from ground rent and permitted land rental. Any monies received in error were forwarded to the external management company.

d) Fees for New Estate Management and payments to Marie Hardy.

Payments to New Estate Management Payment were permitted under the terms of the lease. Miss Hardy was on a full contract of employment and employed for a number of years. A 3 month notice period had to be worked. The Directors wished Miss Hardy to remain in post alongside New Estate Management to allow for a smooth transition and so that the works requiring section 20 and balconies could begin without delay. Ms Hardy received payslips via accountant and PAYE completed by the accountant, not via an invoice from Miss Hardy. She was an employee under full employment contract and paid directly by the Respondent. The redundancy payment was £4,000.00, not £5,000.00 as erroneously recorded in the accounts and subsequently corrected. This money came from ground rent monies collected by and sent to the Respondent by New Estate Management. This amount is therefore not subject to this determination.

e) Samson Services

Quotes were obtained at the time from Pelliere and Samson, and the latter were the cheaper of the two for the same service. Samson were employed on a temporary contract to comply with fire regulations regarding the fire alarm and smoke detector system in place. At the end of the short-term contract quotes were obtained and Saracen were found to be the most competitive and appointed on a long-term contract. Contracts were continually reviewed to ensure best value.

General comments by the Tribunal

12. The Tribunal's specific comments in respect of the Scott Schedule items are recorded below however its general comments in respect of some of the over-riding issues is as follows.

Missing invoices.

13. Invoices were missing for the original determination and the primary excuse given by the Respondent was that they had been retained by New Estate Management.

However, the response given by Adam New of New Estate Management to the Tribunal's Order for the release of this information can be read above and includes the comment:

“Moreover, all documents relating to the period from our appointment to the 31st March 2020 were provided to the Respondent's accountants on the 17th June 2020”.

14. In the opinion of the Tribunal, these invoices were available to the Respondent and this point was emphasised to David Marshall at the case management conference on 21 February 2023 and he was told by the Tribunal that these documents must be produced. This was largely ignored but still relied upon in submissions. No evidence was provided that Mr Marshall contacted the accountants concerned to see if they had received the invoices back from New Estate Management however this was the same firm that had prepared accounts for the disputed years and by any reasonable standard of professionalism would have kept copies of them anyway. Any reasonable enquiry by Mr Marshall would have produced these invoices.
15. The Tribunal has to take a robust view on the missing invoices. They have been repeatedly requested and their production ordered but still not supplied. Accordingly, the Tribunal decided that it would disallow any costs that cannot be supported by an invoice as there is simply no way to verify the same.

Poor accounting

16. The accounts produced for the Respondent were, as recorded in the original decision, not of the standard that would be expected. Items were inaccurately recorded and, in some cases, simply do not add up. On enquiry, it appears that GoCardless is not a company that offers a traditional accountancy service but is an online direct debit provider. There appears to have been no reasonable financial oversight of the company by the Directors of the Respondent company for the disputed period, Mr Marshall and Miss Hardy.

Payments from Ground Rent

17. A standard reply from the Respondent to a challenge on a specific cost was that the invoice concerned had been paid “from Ground Rent” and hence was outside the Tribunal's jurisdiction. This could have been accepted had there been any reliable supporting evidence produced which, apart from the odd screen shot of a bank account, was not provided. There was never any indication that separate accounts of any standard were kept and produced for ground receipts and expenditure. Without this supporting evidence, the Tribunal is not prepared to allow a charge for a specific item purely on the basis of a convenient comment from the

Respondent that it was funded by ground rent. Accordingly, the Tribunal has detailed below costs which are disallowed as part of the service charge, despite the Respondent's submissions to the contrary, as the Respondent had failed to prove that such costs were, indeed, paid from the ground rent.

Invoices from Taylor Bracewell Solicitors

18. The Tribunal has several issues with invoices from Taylor Bracewell. Firstly, on many occasions they are for matters that could have been dealt with by a property manager, secondly that they are not for matters that fall within the ambit of the service charge and thirdly, that they appear excessive. They have been reduced or disallowed accordingly.

Scott Schedule Items

19. The Tribunal used the Scott Schedule as a running order for the oral hearing and a copy is attached to this decision as Appendix Four. The information included within the Schedule is not repeated in the paragraphs below, only a summary of the additional comments made by the parties either during the hearing or in their written submissions. The Tribunal finds it convenient to list its determination in respect of each item beneath the parties' submissions.

20. Item 1 Legal and Accountancy invoices

Applicant

Charges relating to the creation of Single Alternative Inspection location (SAIL), were disallowed as unreasonable in the original Tribunal decision. The Taylor Bracewell invoices of £300 advice on general meetings, £196.80 advice for drafting a response to a leaseholder and £300 for drafting a further letter are unreasonable and represent the overuse of a solicitor for basic queries which could have been resolved by the property manager. The cost of the new lease extension valuation report of £954.00 was apparently refunded but is not recoverable anyway. A bank statement showing £8,704.00 is not evidence. It just shows a paid in entry.

Respondent

No direct response other than the general comments above.

Tribunal

As indicated in the Tribunal's general comments, the charges raised by Taylor Bracewell are unreasonable; they are for matters that could have been dealt with by a competent manager and they appear excessive.

Costs disallowed.

21. Item 2 GoCardless Accountancy Services

Applicant

Since the last Tribunal there has been no change in the level of accountancy service with the usual minimum information provided as mentioned. However, as the years progressed the accounting has been even poorer with incorrect entries and poor evaluation and nonsensical presentation of the figures, not conforming to good practice.

Respondent

See general comments by the Respondent. The service met legal requirements.

Tribunal

The Respondent is correct, accounts were filed. However, the accounting was desultory. Nominal award made.

Costs 25% allowed.

22. Item 3 Foremost Security

Applicant

Directors are responsible for all invoices and preparing fair accounts. No invoices available.

Respondent

See general comments by the Respondent.

Tribunal

No invoices provided; costs disallowed.

23. Item 4 Taylor Bracewell – Supplying Template for service charge and ground rent.

Applicant

As per previous decision, the Respondent has not separated ground rent for service charges within the accounts. No evidence was provided that this item was paid from a ground rent account so must be considered as part of this application.

Again, overuse of a solicitor for an admin function should have been done by the property manager.

Respondent

This is an invoice that the Respondent states was paid out of ground rent.

Tribunal

There is no reliable evidence that this was paid out of ground rent. A competent manager would not require legal advice to prepare templates of this type which can be obtained online in any event.

Costs disallowed.

24. Item 5 Low Cost Accounts – Room Rental

Applicant

No evidence this invoice was paid out of ground rent. Again, the use of a solicitor for an administrative function that should have been done by the property manager. The room was for a meeting with two leaseholders which did not need to be chargeable, could have been carried out in their offices.

Respondent

This is an invoice that the Respondent states was paid out of ground rent.

Tribunal

There is no reliable evidence that this was paid out of ground rent. In any event, this appears an excessive charge for a meeting with two leaseholders.

Costs disallowed.

25. Item 6 Taylor Bracewell – telephone advice for legal services

Applicant

No detail of legal services provided, therefore unreasonable. No evidence that this was paid from ground rent.

Respondent

This is an invoice that the Respondent states was paid out of ground rent.

Tribunal

There is no reliable evidence that this was paid out of ground rent and no specific information as to what the nature of the service provided.

Costs disallowed.

26. Item 7 Taylor Bracewell – General advice re two leaseholders

Applicant

According to Mr Peck one of the two leaseholders, this concerned a small outstanding service charge amount, which the Directors chose to refer to their solicitors. This could have been resolved without the use of a professional. No evidence it was paid out of ground rent.

Respondent

This is an invoice that the Respondent states was paid out of ground rent.

Tribunal

There is no reliable evidence that this was paid out of ground rent. However, there is specific information as to what the nature of the service provided actually was. Conceivably, the advice could fall within the ambit of the service charge however we have no detail, so in the absence of the issue being a complex matter a reasonable sum would be £150.00 plus VAT i.e., £180.00.

£180.00 allowed.

27. Item 8 Taylor Bracewell – Shareholder's request for register of members.

Applicant

Again, the overuse of a solicitor for the outsourcing basic functions which could have been done by the property manager. No evidence it was paid out of ground rent.

Respondent

This is an invoice that the Respondent states was paid out of ground rent.

Tribunal

This information should have been freely available to a shareholder.

Costs disallowed.

28. Item 9 Taylor Bracewell – Single Alternative Inspection Location Address

Applicant

See comments above relating to the same issue.

Respondent

There is no evidence that this was paid out of ground rent.

Tribunal

A SAIL (Single Alternative Inspection Location) is an alternative location to the registered office, where company records can be kept and made available for public inspection. If it were decided that one was required, the offices of the managing agent would usually suffice. There is no justification for using a solicitor's office for this purpose.

Costs disallowed.

29. Item 10 ICO

Applicant

No invoice, no evidence the work took place or payable.

Respondent

This is an invoice that the Respondent states was paid out of ground rent.

Tribunal

No invoice available.

Costs disallowed.

30. Item 11 Taylor Bracewell – Contract Dispute with New Estates

Applicant

This invoice is shown as £153 (not £1053) in the supporting schedules. Therefore, the legal total as per the service charge statement is incorrect.

This is a large invoice for a contract issue between New Estate Management and the Directors of the Respondent which could have resolved without a solicitor.

Not a reasonable invoice to be paid by the leaseholders.

Respondent

This is an invoice that the Respondent states was paid out of ground rent.

Tribunal

The dispute between New Estate Management and the Respondent from the information provided, related to the way in which Mr Marshall and Miss Hardy were running the company. This is not a cost that should be borne by the leaseholders.

Costs disallowed.

31. Item 12 Taylor Bracewell

Applicant

No invoice, no evidence the work took place or payable. No detail of legal services provided, therefore unreasonable.

Respondent

This is an invoice that the Respondent states was paid out of ground rent.

Tribunal

No invoice available.

Costs disallowed.

32. Item 13 – Taylor Bracewell - Single Alternative Inspection Location Address

See comments above.

Costs disallowed.

33. Item 14 Taylor Bracewell – General Advice

Applicant

No detail of legal services provided, therefore unreasonable.

Respondent

This is an invoice that the Respondent states was paid out of ground rent.

Tribunal

No detail provided as to what the service entailed.

Costs disallowed.

34. Item 15 Nelsons Solicitors

Applicant

No detail of legal services provided, therefore unreasonable.

Respondent

This is an invoice that the Respondent states was paid out of ground rent.

Tribunal

No detail provided.

Costs disallowed.

35. Item 16 Nelsons Solicitors

Applicant

No detail of legal services provided, therefore unreasonable.

Respondent

This is an invoice that the Respondent states was paid out of ground rent.

Tribunal

No invoice or detail provided.

Costs disallowed.

36. Item 17 - Accountancy

Applicant

Very poor accounting – no detail, no variances, no disclosures relating to associated companies and no budgets. The accounts don't relate to the income collected and the expenditure expected.

Respondent

This is an invoice that the Respondent states was paid out of ground rent.

Tribunal

Accounts were filed; however, the accounting was desultory. Nominal award made.

Costs 25% allowed.

37. Item 18 Nelsons Solicitors

Applicant

No detail of legal services provided, therefore unreasonable.

Respondent

This is an invoice that the Respondent states was paid out of ground rent.

Tribunal

No detail provided.

Costs disallowed.

38. Item 19 Nelsons Solicitors – Unpaid Counsel Fees

Applicant

Another legal invoice for unspecified services.

Respondent

This is an invoice that the Respondent states was paid out of ground rent.

Tribunal

No detail provided.

Costs disallowed.

39. Item 20 Legal & Accountancy Invoices

Applicant

These accounts are for large amounts of expenditure and are nonsensical without explanation. No invoices forthcoming despite being requested.

It is the responsibility of the Directors to obtain this information.

Respondent

This is an invoice that the Respondent states was paid out of ground rent.

Tribunal

The Tribunal's determination is that unless supporting invoices can be provided, service charges are not payable.

Costs disallowed.

40. Item 21 Staffing and Management Costs.

Applicant

The Respondents were paying New Estate Management and Maria Hardy as Property Manager. The 2020 breakdown of the invoice list shows £9,553.85 paid to Maria Hardy for 1 December to 31 March. This overlaps with the payment to

New Estate Management. No invoices or contract of employment for either party and no evidence of a handover. Additionally, no evidence of hours worked by logbooks etc.

Unreasonable level of remuneration without evidence.

Respondent

No detail of note provided although this appears to cover the “handover” period between New Estate Management and Maria Hardy.

Tribunal

Ordinarily the Tribunal would find a handover period between agents for a short period say one month, reasonable. However, there is no evidence that it was reasonable to employ Miss Hardy once New Estate Management were instructed.

Costs to Maria Hardy disallowed.

Costs relating to New Estate Management allowed.

41. Item 22 Maria Hardy Redundancy Payment

Applicant

No documentation to confirm why another payment was made to Maria Hardy, considering her poor level of service. As per last the Tribunal decision “the development was not managed in a professional manner” and “it was not reasonable to pay an individual to manage the development hence this redundancy cost is unreasonable”.

Respondent

This is an invoice that the Respondent states was paid out of ground rent.

Tribunal

See comments above regarding the service provided by Miss Hardy.

Costs disallowed.

42. Item 23 Staff Costs

Applicant

No invoices or detail

Respondent

This is an invoice that the Respondent states was paid out of ground rent.

Tribunal

If this is a charge made by New Estate Management, then it would be allowed although the comment made by Respondent makes no sense.

Costs allowed subject to proof being provided to the Tribunal that this charge related to New Estate Management.

43. Item 24 Staffing to agent Franklin Management

Applicant

No invoices provided by Respondent, hence there is no evidence to confirm if the service was provided.

Respondent

A copy of this invoice should be available from Franklin Management.

Tribunal

As with the item above, if this is a charge made by Franklin Management, then it would be allowed.

Costs allowed subject to proof being provided to the Tribunal that this charge related to Franklin Management.

44. Item 25 Discrepancy in Service Charge statement

Applicant

There are still missing invoices for this amount.

The Respondents are not prepared to consider this discrepancy which suggests poor accounting yet again.

Respondent

No specific comment.

Tribunal

No invoice provided.

Costs disallowed.

45. Item 26 – Grays Locksmiths

Applicant

New Estates were appointed by the Respondent to prepare fair and proper accounts with or without an Agent. No invoices, therefore, cannot assume work was carried out reasonably.

Respondent

No specific comment.

Tribunal

No invoice provided.

Costs disallowed.

46. Item 27 Saracen Fire

Applicant

No Invoices provided by Respondents, hence there is no evidence to confirm if the service was provided.

Respondent

No specific comment.

Tribunal

No invoice provided.

Costs disallowed.

47. Item 28 Pelliere

Applicant

No Invoices provided by Respondents, hence there is no evidence to confirm if the service was provided.

Respondent

No specific comment.

Tribunal

No invoice provided.

Costs disallowed.

48. Item 29 Samson Services

Applicant

Unreasonable invoices as the service can be provided cheaper by £47 per week. Therefore 21 tests at £47 is £987 over charged.

This is the use of a related party for an overpriced service. The Respondents claim Samson were cheaper, but no evidence provided. As per the original Tribunal decision “if the management company wishes to use a connected party contractor, the Lessees be made aware of this fact and alternative quotations obtained” This was known and still no copies of competitive quotations.

Respondent

No specific comment.

Tribunal

Samson Services is a company of which Mr Marshall was a Director of, for at least the period in question. The invoices themselves, and online enquiry, offer no comfort that they had the knowledge and experience to carry out this work which is of vital importance. The company that were subsequently employed appear to have credibility for this work and offer a cheaper service. Costs are reduced to the level of those charged by Saracen.

£987.00 disallowed.

49. Item 30 Samson Services

See above.

Tribunal

£612.00 disallowed.

50. Item 31 Repairs and Maintenances services - Invoices not accounted for

Applicant

There are no invoices for this outstanding amount. The service charge collected far exceeds the figures presented without explanation. The Applicants consider that repair and maintenance work took place in 2020/21 over and above what has been accounted for.

Very poor accounting and Directorial management to sign off and post inexplicable accounts. It is the Directors responsibility to produce fair and proper accounts with or without an Agent.

It is questionable what level of financial controls the Respondent had in place whilst working with an Agent.

Respondent

The service charge monies after April 2020 were collected by an external and separate company and therefore this matter needs to be addressed to and by NEM and the Respondent.

Tribunal

Service charges are paid to the agent on behalf of the Respondent and subsequent expenditure is the responsibility of the latter, not the agent. It is for the Respondent to obtain copies of the relevant invoices and provide an explanation for the same.

The Tribunal's determination is that unless supporting invoices can be provided, these costs are not payable as part of the service charge.

51. Item 32 Repairs & Maintenance

See above.

Tribunal

Determination as for the item above.

52. Item 33 Sundries & Depreciation

Applicant

There is a discrepancy between the invoices available and the figure shown in the accounts. There is no effort to reconcile actuals with invoices, before publishing the service charge statements.

Respondent

No specific comment.

Tribunal

The Tribunal's determination is that unless invoices can be provided, service charges are not payable. these costs are not payable as part of the service charge.

53. Item 34 Car Park Patrol fees

Applicant

No invoice to consider if charges were reasonable.

Respondent

This is an invoice that the Respondent states was paid out of ground rent.

Tribunal

No invoice

Costs disallowed.

54. Item 35 Sundries & Depreciation

Applicant

Missing invoice to reconcile accounts.

Respondent

Accepted as £0.00

Tribunal

Costs disallowed.

Summary

55. The Tribunal has now completed its determination in respect of the applications made, save for any appeal. It is clear to the Tribunal that during the periods covered by this application, the management of the development was not carried out in the best interests of the leaseholders. However, the Tribunal is heartened by the statement of the Applicants during the last hearing, to the effect that under new directorship, management of the development has “turned a corner”.

Appeal

56. The appeal provisions are given in paragraph 46 of the original decision.

Appendix One – Relevant Legislation

Application under Section 27A of the Landlord and Tenant Act 1985

Sections 18 and 19 provide:

18(1) In the following provisions of this Act 'service charge' means an amount payable by a tenant of a dwelling as part of or in addition to rent –

(a) which is payable, directly or indirectly, for services, repairs, maintenance, improvements, or insurance or the landlord's costs of management, and

(b) the whole or part of which varies or may vary according to the relevant costs.

(2) The relevant costs are the costs or estimated costs incurred or to be incurred by or on behalf of the landlord, or a superior landlord, in connection with the matters for which the service charge is payable.

(3) For this purpose –

(a) 'costs' include overheads, and

(b) costs are relevant costs in relation to a service charge whether they are incurred, or to be incurred, in the period for which the service charge is payable or in an earlier or later period.

19(1) Relevant costs shall be taken into account in determining the amount of a service charge payable for a period –

(a) only to the extent that they are reasonably incurred, and

(b) where they are incurred on the provision of services for the carrying out of works, only if the services are of a reasonable standard;

and the amount shall be limited accordingly.

(2) Where a service charge is payable before the relevant costs are incurred, no greater amount than is reasonable is so payable, and after the relevant costs have been incurred any necessary adjustment shall be made by repayment, reduction, or subsequent charges or otherwise.

Section 27A, so far as relevant, provides:

(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) Sub-section (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 included for services, repairs, maintenance, improvements, insurance or management of any description, a service charge would be payable for the costs, 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 payable.

The ‘appropriate tribunal’ is this Tribunal.

Application for an Order under Section 20C of the Landlord and Tenant Act 1985

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 ... the First-tier Tribunal, ... 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—

...

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

...

(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.

The purpose of section 20C is to give the Tribunal the power to prevent a landlord actually recovering its costs via the service charge when it was not able to recover them by a direct order from the Tribunal. The discretion given to the Tribunal is to make such order as it considers just and equitable.

Application for an Order under Paragraph 5A of Schedule 11 to the Commonhold and Leasehold Reform Act 2002

Limitation of administration charges: costs of proceedings

5A (1) A tenant of a dwelling in England may apply to the relevant court or tribunal for an order reducing or extinguishing the tenant's liability to pay a particular administration charge in respect of litigation costs.

(2) The relevant court or tribunal may make whatever order on the application it considers to be just and equitable.

(3) In this paragraph—

(a) “litigation costs” means costs incurred, or to be incurred, by the landlord in connection with proceedings of a kind mentioned in the table, and

(b) “the relevant court or tribunal” means the court or tribunal mentioned in the table in relation to those proceedings.

The table referred to in sub-paragraph 3(b) confirms that if the proceedings to which the costs relate were proceedings in the first-tier tribunal, then the first-tier tribunal is the relevant court or tribunal.

The Tribunal therefore has a discretion limited only by the requirement that it make a just and equitable decision.

Appendix Two – Copy of Order



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

Case Reference(s) : **BIR/00FY/LIS/2020/0046**

Property : **Leen Court Leen Gate Lenton Nottingham NG7
2HS/2HU/2HZ/2HR/2HT/2HX/2HY**

Applicants : **M & S Sahota (8 & 10 Hamilton)
A J Banks (4 & 5 Babbington)
A Z Witko (8 Gregory)
D R Allen (1 Bayley)**

Joining Applicants : **R Bacon (5 Bayley)
L B Jonsson (7 Bayley)
L Cooker (3 Trinity)
S Fletcher (5 Trinity)
J Cavey (1 Victor)
K Perry (5 & 6 Victor)
E Wass (7 Victor)
B Perry (8 Victor)
I Sims (6 Galeb)
L Scholter (10 Galeb)
S Prabhakaran & U Raghavan (7 Gregory)**

Representative : **K Perry/A J Banks**

Respondent : **Leen Court Management Ltd**

Joining Respondent : **R Thornton (9 Victor)**

Representative : **M Diggle - Counsel
H Mellowship – Nelsons Solicitors**

Type of Applications : **An application in respect of the liability to pay
and reasonableness of service charges under
section 27A of the Landlord and Tenant Act 1985
and applications for Orders under section 20C**

**of the Landlord and Tenant Act 1985 and under
paragraph 5A of Schedule 11 of the
Commonhold and Leasehold Reform Act 2002.**

Tribunal Member : V Ward BSc Hons FRICS (Regional Surveyor)

Date of Order : 14 September 2022

ORDER

Background

1. The Tribunal's has received applications in respect of the liability to pay and reasonableness of service charges under section 27A of the Landlord and Tenant Act 1985 in respect of Leen Court, Leen Gate Nottingham and also applications for Orders for the Limitation of the Respondent's costs in these proceedings under section 20C of the Landlord and Tenant Act 1985 under paragraph 5A of Schedule 11 to the Commonhold and Leasehold Reform Act 2002.
2. The application was deemed withdrawn on 17 September 2021 under rule 11 of the Tribunal Procedure (First-tier Tribunal) (Property Chamber) Rules 2013 due to the non-payment of hearing fee. On 22 September 2021, the Tribunal received an application to reinstate the application. On 29 October 2021, the Tribunal reinstated the application.
3. In their written evidence and also during the oral hearing held on 13 July 2022, the Respondent - Leen Court Management Ltd – stated that invoices for the periods stated below were all retained by a former managing agent of the development – Adam New, a Director, of New Estate Management Limited, 14 – 16 Bridgford Road, West Bridgford Nottingham NG2 6AB. These invoices were thus not made available to the Applicant leaseholders to consider.

1/4/2018 to 31/3/2019

1/4/2019 to 31/3/2020

1/4/2020 to 31/3/2021

4. These periods will form part of the Tribunal's determination and it is thus imperative that these invoices are made available.

Rule 20

5. Rule 20 of the Tribunal Procedure (First-tier Tribunal) (Property Chamber) Rules 2013 in so far as is relevant to this matter states as follows:

Summoning of witnesses and orders to answer questions or produce documents

20.—(1) On the application of a party or on its own initiative, the Tribunal may—

(a).....

(b) order any person to answer any questions or produce any documents in that person's possession or control which relate to any issue in the proceedings

(2).....

Order

6. **Under Rule 20 of the Tribunal Procedure (First-tier Tribunal) (Property Chamber) Rules 2013, the Tribunal hereby orders Adam New, a Director, of New Estate Management Limited, 14 – 16 Bridgford Road, West Bridgford Nottingham NG2 6AB to produce all invoices and financial records for the periods indicated below in respect of and relating to Leen Court Management Ltd and Leen Court Leen Gate Lenton Nottingham NG7 within 21 days of the date of this order.**

1/4/2018 to 31/3/2019

1/4/2019 to 31/3/2020

1/4/2020 to 31/3/2021

7. These documents should be sent to the First-tier Tribunal (Property Chamber), 15th Floor, Centre City Tower, Hill St Birmingham B5 4UU.
8. If these documents are no longer in your possession, then you should state where, when, and to whom they were given, again within 21 days of the date of this Order.

V Ward

Appendix Three – Scott Schedule relating to original decision.

FIRST - TIER TRIBUNAL PROPERTY CHAMBER (RESIDENTIAL PROPERTY)

Scott Schedule

Property: **Leen Court Leen Gate Lenton Nottingham NG7**

Case References: **BIR/00FY/LIS/2020/0046**

Item Cost Heading: Legal and Accountancy

Item No.	1 Issue/Item	2 Amount £	3 Applicant Comment	4 Applicant Amount Considered Acceptable	5 Respondent Comment and justification for charge	6 Respondent Amount Claimed or Accepted	7 Tribunal Decision Paragraph Reference	8 Tribunal Amount Allowed
Respondent's Bundle 2016 (Jan 2016 to Dec 2016) and Respondent's bundle 2017 (April 2016- March 2017) – Duplicated and due to change from Calendar Year to Financial year. All (except one) invoices are dated.								
1	Invoice From Rowley Surveying relating to Survey of car park for new parking arrangements. Not dated but submitted by Respondents for bundles 2016 and 2017. (Page 198)	£395.00	No Contractual Liability. See SOC paras 44-45 51 f (xi) and 78m) poor accounting. Para 42 – this invoice pre-dates Lease Extensions (June 2017) and so is not recoverable. Does not benefit Leaseholders. It takes away car parking spaces.	£0 Not dated	See SOR para 4	£395.00	26	£0

Item No.	1 Issue/Item	2 Amount £	3 Applicant Comment	4 Applicant Amount Considered Acceptable	5 Respondent Comment and justification for charge	6 Respondent Amount Claimed or Accepted	7 Tribunal Decision Paragraph Reference	8 Tribunal Amount Allowed
2	Invoice From Curtis Parkinson Preparation of sellers pack Dated 29/2/16 submitted by Respondents for both 2016 and 2017 bundles. (page 199)	£224.88	No Contractual Liability. See SOC paras 44-45 51 f (xi) and 78m) poor accounting. Unreasonably incurred See SOC para 46a Could have been done by Property Manager.	£0	See SOR Para 5	£224.88	27	£0
3	Invoice from Taylor Bracewell relating to Review & amendment of Articles of Association. Dated 17/5/16 submitted by Respondents for both 2016 and 2017 bundles. (page 200)	£1152	No Contractual Liability. See SOC paras 44-45 Unreasonably incurred. See SOC para 46b SOC Para 29 (and page 129) whereby changes strengthened The Directors position and weakened that of Leaseholders and acceptance was linked/conditional on a Lease extension offer.	£0 Of no benefit to Leaseholders who were not consulted. The New amended Articles of Association do not meet the expected requirements of a Residential Management Company - No Minutes, No AGMs, no engagement.	See SOR para 6	£1152.00	28	£1152

Item No.	1 Issue/Item	2 Amount £	3 Applicant Comment	4 Applicant Amount Considered Acceptable	5 Respondent Comment and justification for charge	6 Respondent Amount Claimed or Accepted	7 Tribunal Decision Paragraph Reference	8 Tribunal Amount Allowed
4	Invoice from Taylor Bracewell relating to Legal work regarding lease extensions. Dated 12/9/16 and submitted by Respondents in both 2016 and 2017 bundles. (page 201)	£423.	No Contractual Liability. See SOC paras 44-45. This Lease extension work is not chargeable to the Service Charge. SOC para 38 (pages 132 and 135). Para 42 – this invoice pre-dates Lease Extensions (June 2017) and so is NOT recoverable.	£0 NOT RECOVERABLE	See SOR Para 7	£423	29	£0
5	Invoice from Curtis Parkinson relating to Missing restrictions on property registers. Dated 12/9/16 and submitted by Respondents in both 2016 and 2017 bundle. (page 202-204)	£727.20 Paid out of Ground Rent and car park income	No Contractual Liability. See SOC paras 44-45 Para 78 m) on using ground rent for Service Charge invoices. It does not benefit all Leaseholders.	£0	See SOR Para 8	See SOR Para 8	30	£0

Item No.	1 Issue/Item	2 Amount £	3 Applicant Comment	4 Applicant Amount Considered Acceptable	5 Respondent Comment and justification for charge	6 Respondent Amount Claimed or Accepted	7 Tribunal Decision Paragraph Reference	8 Tribunal Amount Allowed
6	Invoice from Taylor Bracewell relating to Service of service charge demands Dated 21/12/16 and submitted by Respondents in both 2016 and 2017 bundles. (page 205)	£727.20 Typo should be £1360	No Contractual Liability. See SOC paras 44-45 Unreasonably incurred SOC para 46a SOC para 51 f (i) outsourcing basic functions Para 51 f (xi), para 78 b) and m) poor accounting.	£0 Large invoice for an Admin function that should have been carried out by the Property Manager.	See SOR Para 9	See SOR Para 9	31	£0
7	Invoice from Curtis Parkinson relating to Preparing and sending out service charge demands. Dated 31/12/15 and NOT included by Respondents in their summary sheets in either 2016 or 2017 bundles, but invoice submitted.	£1368	No Contractual Liability. See SOC paras 44-45 Unreasonably incurred SOC para 46a SOC para 51 f (i) outsourcing basic functions 51 f (xi) para 78 b) and m) poor accounting.	£0 Another large invoice for Admin duties that should be the duty of the Property Manager. It is a waste of service charge money to use a Legal firm for sending out Service Charge demand letters.	See SOR Para 10	£1368.00	31	£0

Item No.	1 Issue/Item	2 Amount £	3 Applicant Comment	4 Applicant Amount Considered Acceptable	5 Respondent Comment and justification for charge	6 Respondent Amount Claimed or Accepted	7 Tribunal Decision Paragraph Reference	8 Tribunal Amount Allowed
	(Page 206)							
8	Invoice from Towne & Co for Accountancy Services Jan-Mar 2016 (3 months extracted from 2016 Bundle) SOC Appendix 3	£79.90 per month = £239.70	Para 78 m) i)-vi) Poor accounting and do not conform to good practice as per RICS/ICAEW Guidance.	£119.85 50% in acknowledgment of other Accountancy functions undertaken.			32	£119.85
9	Invoice from Towne & Co for Accountancy Services Apr16-Mar 2017 (2017 bundle) SOC Appendix 4	Standing Order Total £727	Para 78 m) i)-vi) Poor accounting and do not conform to good practice as per RICS/ICAEW Guidance.	£363.50 50% in acknowledgment of other Accountancy functions undertaken.			32	£363.50
Respondent's bundle 2018 (April 2017- March 2018)								
10	Invoice from Towne & Co for Accountancy Services Apr17-Mar 2018 (2018 bundle) SOC Appendix 5	Standing Order Total £1118.60	Para 78 m) i)-vi) Poor accounting and do not conform to good practice as per RICS/ICAEW Guidance.	£559.30 50% in acknowledgment of other Accountancy functions undertaken.			32	£559.30

Item No.	1 Issue/Item	2 Amount £	3 Applicant Comment	4 Applicant Amount Considered Acceptable	5 Respondent Comment and justification for charge	6 Respondent Amount Claimed or Accepted	7 Tribunal Decision Paragraph Reference	8 Tribunal Amount Allowed
11	Invoice from Taylor Bracewell relating to Preparation of Landlord obligation letter re fire safety and sending out letters (£25+vat/letter) Dated 7/9/17 Page 240	£2454 Paid out of Ground Rent and car park income	No Contractual Liability. See SOC paras 44-45 Unreasonably incurred SOC para 46a SOC 51 f (i) – outsourcing basic functions Para 78 m) on using ground rent for service charge invoices.	£0 Another large invoice for Admin duties that should be the duty of the Property Manager.	See SOR Para 17 £2454	See SOR Para 17 & 18	33	£0
12	Invoice from Taylor Bracewell relating to single alternative inspection location. Dated 9/1/18 Page 241	£420 Paid out of Ground Rent and car park income	SOC para 51 f (i) outsourcing basic functions. Para 78 m) on using ground rent for service charge invoices.	£0 Not service Charge chargeable – LCM admin or Leaseholder action only.	Para 18 re £420.	£420	34	£0
13	Invoice from Taylor Bracewell relating to sending out service charge demands. Dated 5/3/18 Page 242	£1570	No Contractual Liability. See SOC paras 44-45 Unreasonably incurred SOC para 46a	£0 Another unreasonable invoice to use a Solicitor for this annual administration job.	See SOR Para 19 £1570	£1570.00	31	£0

Item No.	1 Issue/Item	2 Amount £	3 Applicant Comment	4 Applicant Amount Considered Acceptable	5 Respondent Comment and justification for charge	6 Respondent Amount Claimed or Accepted	7 Tribunal Decision Paragraph Reference	8 Tribunal Amount Allowed
			SOC 51 f (i) – outsourcing basic functions	Other managing agents (New Estates and Franklins) did it themselves.				
2019 – April 2018-March 2019								
14	Legal and Accountancy invoices	£3,022 – as per Service Charge Statement.	Para 78 a) missing invoices No Invoices provided by Respondents	£0 No invoices			See paragraphs 21, 22 & 23	Judgement Reserved
2020 – April 2019-March 2020								
15	Legal and Accountancy invoices As per New Directions.	£8,329 as per Service Charge Statement. Invoices not provided despite requested via the new Directions.	Para 78 c) missing invoices. No Invoices provided by Respondents.	£0 No invoices			See paragraphs 21, 22 & 23	Judgement Reserved
2021 – April 2010-March 2021								
16	Legal and Accountancy Invoices and Service charge statement	Estimated £8,000 Respondent s say 'Not available'	Para 78 d) No Invoices provided by Respondents.	£0 No evidence, no invoices, no service charge statement.			See paragraphs 21, 22 & 23	Judgement Reserved

Item No.	1 Issue/Item	2 Amount £	3 Applicant Comment	4 Applicant Amount Considered Acceptable	5 Respondent Comment and justification for charge	6 Respondent Amount Claimed or Accepted	7 Tribunal Decision Paragraph Reference	8 Tribunal Amount Allowed
	as per New Directions							

FIRST - TIER TRIBUNAL PROPERTY CHAMBER (RESIDENTIAL PROPERTY)

Scott Schedule

Property: **Leen Court Leen Gate Lenton Nottingham NG7**

Case References: **BIR/00FY/LIS/2020/0046**

Item Cost Heading: Staffing -

Item No.	1 Issue/Item	2 Amount £	3 Applicant Comment	4 Applicant Amount Considered Acceptable	5 Respondent Comment and justification for charge	6 Respondent Amount Claimed or Accepted	7 Tribunal Decision Paragraph Reference	8 Tribunal Amount Allowed
17	Invoices from M Hardy relating to her employment as a Property Manager. Dated Jan-Dec 2016 (pages 222-237) bank payments and HMRC	Total £18,746.20	See SOC para 47-55 illustrating unreasonableness of salary due to poor delivery of service ref para 51 & 52 admin, site and (iii) balconies. Para 78 e) – I) where NO evidence forthcoming of job description, hours, site visits, inspections, qualifications and experience to validate this level of salary.	£7,100 (previously £5000) Concession 50% of current standard (New Estates/Franklins).	See SOR Para 15	£18,746.20	36	£7,100 plus VAT
Respondents' 2016 bundle Jan 2016-Dec 2016								
Respondents' 2017 Bundle (April 2016 to March 2017)								

Item No.	1 Issue/Item	2 Amount £	3 Applicant Comment	4 Applicant Amount Considered Acceptable	5 Respondent Comment and justification for charge	6 Respondent Amount Claimed or Accepted	7 Tribunal Decision Paragraph Reference	8 Tribunal Amount Allowed
18	Invoices to M Hardy relating to her employment as a Property Manager. Dated 2016/7 (243-247 salary and HMRC)	£18,859.93	See SOC para 47-55 illustrating unreasonableness of salary due to poor delivery of service ref para 51 & 52 admin, site and balconies. Para 78 e) – I) where NO evidence forthcoming of job description, hours, site visits, inspections, qualifications and experience to validate this level of salary.	£7,100 (previously £5000) Concession 50% of current standard (New Estates/Franklins).	See SOR Para 15	£18,859.93	36	£7,100 plus VAT
Respondents' 2018 Bundle April 2017 – March 2018)								
19	Invoices from M Hardy relating to her employment as a Property Manager. (pages 286-300) Pension, payroll, HMRC and salary) MH Salary + 10% pay increase back	£24,603.85	See SOC para 47-55 illustrating unreasonableness of salary due to poor delivery of service ref para 51 and 52 admin, site and balconies. A 10% increase, unbeknown to Leaseholders for work that was related to Lease extension work. There is no contract liability for this work	£7,100 (previously £5000) Concession 50% of current standard (New Estates/Franklins) No back dating of 10% increase.	See Para 15 and Para 32 SOR	£24603.85	36	£7,100 plus VAT

Item No.	1 Issue/Item	2 Amount £	3 Applicant Comment	4 Applicant Amount Considered Acceptable	5 Respondent Comment and justification for charge	6 Respondent Amount Claimed or Accepted	7 Tribunal Decision Paragraph Reference	8 Tribunal Amount Allowed
	dated to 2016 as increase in workload due to lease extensions.		<p>Para 44-45. Lease extension work is not recoverable from Service Charge money.</p> <p>Para 78 e) – l) where NO evidence forthcoming of job description, hours, site visits, inspections, qualifications and experience to validate this level of salary.</p> <p>Back dating of 10% pay increase for Lease Extension work should NOT be chargeable as this PRE-DATES the extended Leases so is unrecoverable.</p>					
20	Invoice from D Marshall for attending a meeting in Sheffield to discuss the Lease extensions Dated 19/7/17 (page 301-2)	£180 Paid to a related party Paid by GR and Car	<p>See para 53-55</p> <p>Unreasonable as this could have been done when Miss Hardy was available.</p> <p>Para 78 m) Ground Rent being used for service charge invoices and no</p>	£0 Paid out of Ground Rent	See Para 33 SOR	See Para 33 SOR	37	£0

Item No.	1 Issue/Item	2 Amount £	3 Applicant Comment	4 Applicant Amount Considered Acceptable	5 Respondent Comment and justification for charge	6 Respondent Amount Claimed or Accepted	7 Tribunal Decision Paragraph Reference	8 Tribunal Amount Allowed
21	Invoice from D Marshall covering MH's holiday Dated 14/7/17 (page 301-303) Paid to DM for covering MH's holiday.	Park Income £815 Paid to a related party	contract liability (Para 44-45) for Lease extension work which cannot be chargeable to service charge account.. See para 53-55 Unreasonable payment, given we are already paying an inflated salary to Miss Hardy and many functions are outsourced. Should have been covered by Miss Hardy's salary – not in addition.	£0 High costs – day rate plus costly extras for site visits.	See Para 34 SOR	£815.00	38	£0
Respondents' Bundle 2019 (April 2018-March 2019)								
22	2019 Bundle April 2018 – March 2019 Invoices from M Hardy relating to her employment as a Property Manager. (page304-317) Includes Payroll, HMRC and salary	£17,089.50	See para 47-55 illustrating unreasonableness of salary due to poor delivery of service – para 51 and 52 admin, site and ref balconies. Para 78 e) – l) where NO evidence forthcoming of job description, hours, site visits, inspections,	£7,100 (previously £5000) Concession 50% of current standard (New Estates/Franklins)	See Para 15 SOR	£17089.50	36 & 39	£7,100 plus VAT

Item No.	1 Issue/Item	2 Amount £	3 Applicant Comment	4 Applicant Amount Considered Acceptable	5 Respondent Comment and justification for charge	6 Respondent Amount Claimed or Accepted	7 Tribunal Decision Paragraph Reference	8 Tribunal Amount Allowed
			qualifications and experience to validate this level of salary.					
2020 (April 2019- March 2020)								
23	2020 April 2019-March 2020 Total Salary payment of £33,042 (£24,042 and £9,000)	Salary £24,042 As per year end statement.	See para 47-55 illustrating unreasonableness of salary due to poor delivery of service – para 51 and 52 admin, site and ref balconies. Para 78 c) no invoices 'available' for salary payments. Para 78 e) – l) where NO evidence forthcoming of job description, hours, site visits, inspections, qualifications and experience to validate this level of salary. Para – 52a and 78e) There is no contract of employment in place and therefore no obligation to pay redundancy.	£0 No invoice, no paperwork.			36 & 39	£7,100 plus VAT
	Redundancy payment			£0				

Item No.	1 Issue/Item	2 Amount £	3 Applicant Comment	4 Applicant Amount Considered Acceptable	5 Respondent Comment and justification for charge	6 Respondent Amount Claimed or Accepted	7 Tribunal Decision Paragraph Reference	8 Tribunal Amount Allowed
		Redundancy £9,000 as per year end statement	There is no paperwork to support this decision and made unbeknown to Leaseholders.					
2021 (April 2020-March 2021)								
24	2021 (Apr 2020-March 2021) Salary payments	Budgeted as £7000 See Appendix 2 2021 *According to Miss Hardy, in the Service Charge year 2021 (April 2020-end March 2021) NO staffing costs were paid by LCM Ltd from the Service Charges collected during that	Para 52b There is no contract of employment in place and therefore no obligation to pay. No paperwork to support this decision. See para 78 e) – I) where NO evidence forthcoming of job description, hours, site visits, inspections, qualifications and experience to validate this level of salary. Para 78 d) no invoices made available.	£0 No invoice, no paperwork.			36 & 39	£7,000 plus VAT

Item No.	1 Issue/Item	2 Amount £	3 Applicant Comment	4 Applicant Amount Considered Acceptable	5 Respondent Comment and justification for charge	6 Respondent Amount Claimed or Accepted	7 Tribunal Decision Paragraph Reference	8 Tribunal Amount Allowed
		period see note below.						

*2021 – According to Miss Hardy, in the Service Charge year 2021 (April 2020-end March 2021) no staffing costs were paid by LCM Ltd from the Service Charges collected during that period.

FIRST - TIER TRIBUNAL PROPERTY CHAMBER (RESIDENTIAL PROPERTY)

Scott Schedule

Property: **Leen Court Leen Gate Lenton Nottingham NG7**

Case References: **BIR/00FY/LIS/2020/0046**

Item Cost Heading: **Repairs and Maintenance**

Item No.	1 Issue/Item	2 Amount £	3 Applicant Comment	4 Applicant Amount Considered Acceptable	5 Respondent Comment and justification for charge	6 Respondent Amount Claimed or Accepted	7 Tribunal Decision Paragraph Reference	8 Tribunal Amount Allowed
	Respondent's 2016 Bundle (Jan 2016 to Dec 2016) will overlap with 2017 bundle.							
25	Pelliere VAT payments	Total £2142 VAT £428.40 Total £137.30 VAT £27.46	See para 74-72	Less VAT — ignore this — line item to be discounted. VAT is due on these invoices.	See SOR Para 16	Incl of VAT	40	Costs allowed
	Pelliere invoices Jan2016-Mar2106 extracted from 2016 Bundle.	£3317.64	50% reduction SOC para 78 f)-j) relating to lack of competitive quotes, lack of inspections and over use of single contractor.	£1658.82				

Item No.	1 Issue/Item	2 Amount £	3 Applicant Comment	4 Applicant Amount Considered Acceptable	5 Respondent Comment and justification for charge	6 Respondent Amount Claimed or Accepted	7 Tribunal Decision Paragraph Reference	8 Tribunal Amount Allowed
Respondent's 2017 Bundle (April 2016 to March 2017)								
26	Invoices from Pelliere relating to various repairs and Maintenance.	Total £8,775.74	50% reduction SOC para 78 f)-j) relating to lack of competitive quotes, lack of inspections and over use of single contractor.	£4387.87			40	Costs allowed
Respondent's 2018 Bundle (April 2017 to March 2018)								
27	Invoices from In & Out Property Services relating to gardening Dated Jan to June 2017 but only paid from April 2017. (pages 262-268)	£700 = 7 x £100 To a Related Party	Conflict of Interest See para 56-69. Poor invoicing Para 51 f (xi), paid in wrong accounting period. Para 78 f)-j) No evidence of competitive quotations, no site inspections, no desire to seek best value.	£350 Concede 50% in acknowledgement of some work done.	See SOR Para 22	£700.00	40	Costs allowed

Item No.	1 Issue/Item	2 Amount £	3 Applicant Comment	4 Applicant Amount Considered Acceptable	5 Respondent Comment and justification for charge	6 Respondent Amount Claimed or Accepted	7 Tribunal Decision Paragraph Reference	8 Tribunal Amount Allowed
28	Invoice from In & Out Property Services relating to Tree removal. Dated 11/4/17 (page 269)	£1500 To a Related Party Paid out of GR and Car Park income	Conflict of Interest See para 56-69. See para 78 m) concerning use of Ground rent for Service Charge invoices. See para 78 f-j). Lack of evidence of site visits, inspections and competitive quotations.	£0 Use of Ground Rent. Not done expertly – you can see the uneven tree stumps. Trees had never been managed and were allowed to get too big. Not the work of a professional – just a related party.	See SOR Para 23	See SOR Para 23	40	Costs allowed
29	Invoice from LGCP relating to Gardening. Dated 10/8/17 (page 270)	£400 To a Related party	Conflict of Interest See para 56-69. Para 78 f-j) No evidence of competitive quotations, no site visits or inspections, no desire to seek best value.	£200 Concede 50% in acknowledgement of work done.	See Para 24 SOR	£400	40	Costs allowed

Item No.	1 Issue/Item	2 Amount £	3 Applicant Comment	4 Applicant Amount Considered Acceptable	5 Respondent Comment and justification for charge	6 Respondent Amount Claimed or Accepted	7 Tribunal Decision Paragraph Reference	8 Tribunal Amount Allowed
	Invoice from LGCP relating to Gardening. Dated 14/12/17 (Page 271)	£700 To a Related Party	Conflict of Interest See para 56-69. Para 78 (f)-j) No evidence of competitive quotations, no site visits or inspections, no desire to seek best value.	£350 Concede 50% in acknowledgement of work done.	See Para 25 SOR	£700		
30	Invoices from LGCP relating to Estate Management – Cleaning of the bin area. Dated 25/4/17, 3 x 14/7/17 (page 272-275)	Total £140 = £35 x 4 To a Related party.	Conflict of Interest See para 56-69. Para 78 (f)-j) No evidence of competitive quotations, no site visits or inspections, no desire to seek best value.	£70 Concede 50% in acknowledgement of job done.	See Para 26 SOR	£140	40	Costs allowed
31	Invoices from LGCP relating to Estate	£175	Conflict of Interest See para 56-69	£87.50	See Para 27 SOR	£175	40	Costs allowed

Item No.	1 Issue/Item	2 Amount £	3 Applicant Comment	4 Applicant Amount Considered Acceptable	5 Respondent Comment and justification for charge	6 Respondent Amount Claimed or Accepted	7 Tribunal Decision Paragraph Reference	8 Tribunal Amount Allowed
	Management – Cleaning of the bin area. Dated 14/12/17 for 5 months Aug-Dec (page 276)	To a Related party.	Para 78 f-j) No evidence of competitive quotations, no site visits or inspections, no desire to seek best value.	Concede 50% as acknowledgement of work done.				
32	Invoices from LGCP relating to Estate Management – cleaning services. 3 x Dated 25/4/17 (page 277-279)	Total £223.20 = 3 x 74.40 To a Related party.	Conflict of Interest See para 56-69. Para 78 f-j) No evidence of competitive quotations, no site visits or inspections, no desire to seek best value.	£111.60 Concede 50% in acknowledgement of work done.	See Para 28 SOR	£223.20	40	Costs allowed
33	Invoices from LGCP relating to Estate Management – cleaning services. Dated 14/12/17 for 12mth period.	Total £592.50 = 3 x 197.50 To a Related party.	Conflict of Interest See para 56-69. Para 78 f-j) No evidence of competitive quotations, no site visits or inspections, no	£296.25 Concede 50% in acknowledgement of work done.	See Para 29 SOR	£592.50	40	Costs allowed

Item No.	1 Issue/Item	2 Amount £	3 Applicant Comment	4 Applicant Amount Considered Acceptable	5 Respondent Comment and justification for charge	6 Respondent Amount Claimed or Accepted	7 Tribunal Decision Paragraph Reference	8 Tribunal Amount Allowed
	(page 280-283) Standing order was set up for £197.50. This is for 3 months for cleaning and Estate management.		desire to seek best value.					
34	Invoices from LGCP relating to Estate Management – cleaning services Dated 10/8/17 Not in bundle sent in but invoice available from the Respondent as Page 24 R18.	£450 = £75 x 6 To a Related party.	Conflict of Interest See para 56-69. Para 78 f-j) No evidence of competitive quotations, no site visits or inspections, no desire to seek best value.	£225 Concede 50% in acknowledgement of work done.	See Para 30 SOR	£450.00	40	Costs allowed
35	Invoices from LGCP relating to Estate Management – cleaning services Dated 14/12/17 Not in bundle sent in but invoice	£750 = £75 x 10 To a Related party.	Conflict of Interest See para 56-69. Para 78 f-j) No evidence of competitive quotations, no site visits or inspections, no	£375 Concede 50% in acknowledgement of work done.	See Para 31 SOR	£750.00	40	Costs allowed

Item No.	1 Issue/Item	2 Amount £	3 Applicant Comment	4 Applicant Amount Considered Acceptable	5 Respondent Comment and justification for charge	6 Respondent Amount Claimed or Accepted	7 Tribunal Decision Paragraph Reference	8 Tribunal Amount Allowed
	available from the Respondent as Page 34 R18.		desire to seek best value.					
36	Invoices from Peilliere relating to various repairs and Maintenance.	Total £26,798.67	50% reduction SOC para 78 f-j) relating to lack of competitive quotes, lack of inspections and over use of single contractor.	50% concession £13,399.34			40	Costs allowed
Respondent's 2019 Bundle (April 2018 to March 2019)								
37	Invoices from Peilliere relating to various repairs and Maintenance. This total includes an invoice for £3807.60 (page 328) for "Supply & paint 23 hot dipped galvanised post sleeves...."	Total £30,026.86	50% reduction SOC para 78 f-j) relating to lack of competitive quotes, lack of inspections and over use of single contractor. Illustration of poor management and scrutiny of maintenance issues and service charge money.	50% concession £15,013.43	The applicant is incorrect in their conclusion that the invoice does not match good supplied. 11 post bases are in storage on site as part of planned works halted due to covid, issues with		40	Costs allowed

Item No.	1 Issue/Item	2 Amount £	3 Applicant Comment	4 Applicant Amount Considered Acceptable	5 Respondent Comment and justification for charge	6 Respondent Amount Claimed or Accepted	7 Tribunal Decision Paragraph Reference	8 Tribunal Amount Allowed
	According to p35 R19 of respondents bundle only 12 were installed and evidenced by the numerous images of posts without new sleeves in the Applicants' bundle specifically p164,167,168,169 (in the survey procured by New Estates) or easily on the site visit.				New Estates Management and awaiting Section 20 procedure to complete. These posts form part of planned works.			
38	Invoices from D.B.L Services relating to Gardening Dated 18/4/18 (pages 334-347) Gardening works fortnightly to another related party – re-named as DBL Services.	Total £1,400 All quotations not invoices. To a Related party, renamed as DBL Services who were previously In and Out Services.	Conflict of Interest See para 56-69 Para 78 f-j) No evidence of competitive quotations, no site visits or inspections, no desire to seek best value. Poor bookkeeping SOC para 51 f (xi) and 78m)	£0 No invoices provided.	See Para 35 SOR	£1400	40	Costs allowed

Item No.	1 Issue/Item	2 Amount £	3 Applicant Comment	4 Applicant Amount Considered Acceptable	5 Respondent Comment and justification for charge	6 Respondent Amount Claimed or Accepted	7 Tribunal Decision Paragraph Reference	8 Tribunal Amount Allowed
39	Invoices from D.B.L Services relating to Gardening. Invoice not dated (page 348-9)	£400 To a Related party.	payment against undated quotations, not invoices. Conflict of Interest See para 56-69. Para 78 f)-j) No evidence of competitive quotations, no site visits or inspections, no desire to seek best value. Poor bookkeeping SOC para 51 f (xi) and 78m) payment against undated invoices.	£0 Invoice not dated.	See Para 36 SOR	£400	40	Costs allowed
40	Invoices from D.B.L Services relating to Repair to Block Paving and fitting Locks to the fire Doors D.B.L Services Dated 20/4/18 (page 350)	Total £880 To a Related party.	Conflict of Interest See para 56-69. Para 78 f)-j) No evidence of competitive quotations, no site visits or inspections, no	£440 Concede 50% in acknowledgment of work done.	See Para 37 SOR	£880	40	Costs allowed

Item No.	1 Issue/Item	2 Amount £	3 Applicant Comment	4 Applicant Amount Considered Acceptable	5 Respondent Comment and justification for charge	6 Respondent Amount Claimed or Accepted	7 Tribunal Decision Paragraph Reference	8 Tribunal Amount Allowed
	<p>£385 For repair to block paving.</p> <p>£495 for replacement of locks to fire doors.</p>		<p>desire to seek best value.</p>					
41	<p>Invoices from D.B.L Services relating to Emergency Works following FRA.</p> <p>Dated 31/7/18 (page 351)</p> <p>Emergency works following FRA</p>	<p>£7035</p> <p>Paid to a related party</p>	<p>Conflict of Interest See para 56-69</p> <p>Very concerning as invoice is sizeable and for specialist FRA work see SOC Appendix 8.</p> <p>Para 78 f)-j) No evidence of competitive quotations, no site visits or inspections, no desire to seek best value.</p> <p>Poor bookkeeping SOC para 51 f (xi) and 78m)</p> <p>payment to a</p>	<p>£0</p> <p>No concession as this invoice and work is particularly suspect – no paperwork. Was it necessary as per FRA, no official FRA inspection post work. No competitive quotation, carried out by a gardener, who is a related party and payment made to a Director.</p>	<p>See Para 38 SOR</p>	<p>£7035</p>	<p>41</p>	<p>£3517.50</p>

Item No.	1 Issue/Item	2 Amount £	3 Applicant Comment	4 Applicant Amount Considered Acceptable	5 Respondent Comment and justification for charge	6 Respondent Amount Claimed or Accepted	7 Tribunal Decision Paragraph Reference	8 Tribunal Amount Allowed
42	Invoice from Helen Pickford for Website creation. Dated 7/10/18 (page 352)	£500	bank account of a Director. See para 73 No evidence it was value for money and in operation for long - it is not active now.	£0	See Para 39 SOR	£500	42	Costs allowed
43	Invoices from D.B.L Services relating to Tree Maintenance Not dated and only a quotation. (page 353)	£1050 Paid against a quotation to a related party, renamed. Paid out of GR and Car Park income	Conflict of Interest See para 56-69. Para 78 (f)-j) No evidence of competitive quotations, no site visits or inspections, no desire to seek best value. See para 78 m) concerning use of Ground rent for service charge invoices such as tree work where previously this was financed	£0 No concession – no dated invoice. Trees were noted to be very bad health and have recently been removed – indicating poor management of trees within the site.	See Para 40 SOR	See Para 40 SOR	40	Costs allowed

Item No.	1 Issue/Item	2 Amount £	3 Applicant Comment	4 Applicant Amount Considered Acceptable	5 Respondent Comment and justification for charge	6 Respondent Amount Claimed or Accepted	7 Tribunal Decision Paragraph Reference	8 Tribunal Amount Allowed
			through the Service Charge. Poor bookkeeping SOC para 51 f (xi) and 78m) payment against a quotation.					
44	Invoice from Helen Pickford for Website Maintenance. Dated 28/2/18 (page 354)	£15	See para 73 Not value for money and Website maintenance could have been done by Property Manager.	£0	See Para 41 SOR	£15	42	Costs allowed
45	Discrepancy Service Charge Statement v Invoices received.	Service Charge Statement discrepancy is £520.14 Statement total £45,175, but invoices received £44,654.86.	Para 78a) Discrepancy between Statement and invoiced provided.	£0			See paragraphs 21, 22 & 23	Judgement Reserved
2020 (April 2019 to March 2020)								
46	Repairs & Maintenance year-end 2020.	£40,060 total as per Service Charge Statement year-	Para 78c). No Invoices provided by Respondents	£0			See paragraphs 21, 22 & 23	Judgement Reserved

Item No.	1 Issue/Item	2 Amount £	3 Applicant Comment	4 Applicant Amount Considered Acceptable	5 Respondent Comment and justification for charge	6 Respondent Amount Claimed or Accepted	7 Tribunal Decision Paragraph Reference	8 Tribunal Amount Allowed
	No invoices provided – see New Directions	end March 2020.	despite requested in the New Directions. These should be available if Year-end has been filed.					
2021 (April 2020 to March 2021)								
47	Repairs & Maintenance year-end 2021. No invoices provided – see New Directions	Unknown total. Estimated total £40,000. No Service Charge statement available from Respondents.	Para 78d) No Invoices provided by Respondents –	£0			See paragraphs 21, 22 & 23	Judgement Reserved

2017 Invoices received are slightly higher than Service Charge Statement
2018 Invoices received are slightly higher than Service Charge Statement

FIRST - TIER TRIBUNAL PROPERTY CHAMBER (RESIDENTIAL PROPERTY)

Scott Schedule

Property: **Leen Court Leen Gate Lenton Nottingham NG7**

Case References: **BIR/00FY/LIS/2020/0046**

Item Cost Heading: Sundry & Depreciation

Item No.	1 Issue/Item	2 Amount £	3 Applicant Comment	4 Applicant Amount Considered Acceptable	5 Respondent Comment and justification for charge	6 Respondent Amount Claimed or Accepted	7 Tribunal Decision Paragraph Reference	8 Tribunal Amount Allowed
48	Invoice from LGCP relating to patrolling the car park, issuing permits & signage Dated 30/3/16 Wrongly Categorized into S&D, should be Repairs and Maintenance. (page 207)	£785 Paid to a related party	Conflict of Interest See para 56-69 Poor book keeping Para 51 f (xi), 78m) incorrectly categorised. Para 78 f-j) No evidence of competitive quotations, no site visits or inspections, no desire to seek best value.	£100 Except £100 for signage only. Typical costs for signage in similar develops are in the region of £100. Miss Hardy could have issued permits. Fines are recoverable by the enforcer.	See SOR Para 11	£785.00	40	Costs allowed

49	<p>Invoice from LGCP relating to Estate management duties (cleaning the bin area £35/twice a week. Dated April 2016-Sep 2016 (pages 208-212)</p> <p>Wrongly categorised as S&D.</p>	<p>Total £175 = £35x5</p> <p>Paid to a related party.</p>	<p>See para 74 Fines should fund this.</p> <p>Conflict of Interest See para 56-69.</p> <p>Poor book keeping Para 51 f (xi), 78m) incorrectly categorised.</p> <p>Para 78 f)-j) No evidence of competitive quotations, no site visits or inspections, no desire to seek best value.</p>	<p>£87.50</p> <p>Concede 50% in acknowledgment of work done.</p>	<p>See SOR Para 12</p>	<p>£175.00</p>	<p>40</p>	<p>Costs allowed</p>
50	<p>Invoice from LGCP relating to Fortnightly cleaning. Dated May 2016-Sept 2016 (pages 213-219)</p> <p>Wrongly categorised as S&D. Fortnightly cleaning.</p>	<p>Total £520.80 = £74.40 x 7</p> <p>Paid to a related party.</p>	<p>Conflict of Interest See para 56-69.</p> <p>Poor book keeping Para 51 f (xi), 78m) incorrectly categorised.</p> <p>Para 78 f)-j) No evidence of competitive quotations, no site visits or inspections, no desire to seek best value.</p>	<p>£260.40</p> <p>Concede 50% in acknowledgment of work done.</p>	<p>See SOR Para 13</p>	<p>£520.80</p>	<p>40</p>	<p>Costs allowed</p>

51	Invoice from Emsley Parry relating to refund on a car park ticket. (pages 220/1 and 233)	£50	Paid from GR and Car park income	See para 75	£0	Paid out of Ground Rent	See SOR Para 14	44	£0
Respondent's 2017 Bundle (April 2016 to March 2017)									
52	Invoices from LGCP relating to Cleaning and Estate management charges. Dated Sep 2016-Feb 2017 (pages 248-255) Incorrectly categorised as S&D.	Total £595.20 = £74.40 x 8	Paid to a related party.	Conflict of Interest paras 56-69. Poor book keeping Para 51 f (xi), 78m) incorrectly categorised. Para 78 f-j) No evidence of competitive quotations, no site visits or inspections, no desire to seek best value.	£297.60	Concede 50% in acknowledgment of work done.	See SOR Para 20	40	Costs allowed
53	Invoices from LGCP relating to Cleaning and Estate management charges (pages 256-261) Incorrectly categorised as S&D.	Total £210 = £35 x 6	Paid to a related party.	Conflict of Interest See para 56-69. Poor book keeping Para 51 f (xi), 78m) incorrectly categorised. Para 78 f-j) No evidence of competitive	£105	Concede 50% in acknowledgment of work done.	See SOR Para 21	40	Costs allowed

54	2017 Service Charge Statement total for S&D v invoices received.	Discrepancy of £784.80 between Service Charge Statement total for S&D of £2996, but invoices received of £2211.20.	Para 78a) Discrepancies 78m). Poor book keeping Para 51 f (xi), 78m)	quotations, no site visits or inspections, no desire to seek best value.	£0 Shortfall of £784.80 with no invoices.	See paragraphs 21, 22 & 23	Judgement Reserved
2018 (April 2017-March 2018) S&D total £62 as per statement – not disputed.							
2019 (April 2018-March 2019)							
55	2019 Service Charge Statement total for S&D v invoices received.	Discrepancy of £109.52 between Service Charge Statement total for S&D of £1731, but invoices received of £1621.48.	Para 78a), Discrepancies 78m). Poor book keeping Para 51 f (xi), 78m)		£0 Shortfall of £109.52 with no invoices.	See paragraphs 21, 22 & 23	Judgement Reserved
2020 (April 2019-March 2020)							
56	2020 Service Charge Statement total for S&D v invoices received.	Discrepancy of £330 between Service Charge Statement total for S&D of £330, but invoices requested via New Directions but "NOT available"	Poor book keeping Para 51 f (xi), 78m) Para 78c) and 78m). No invoices available for 2020.		£0 Shortfall of £330 with no invoices.	See paragraphs 21, 22 & 23	Judgement Reserved

57	2021 Service Charge Statement v invoices received.	No Service charge statement available or invoices despite requested via the Directions.	Poor book keeping Para 51 f (xi), 78m) Para 78d) and 78m). No invoices available for 2020.	£0 No invoices received.			See paragraphs 21, 22 & 23	Judgement Reserved
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Appendix Four – Scott Schedule relating to supplementary decision.

FIRST - TIER TRIBUNAL PROPERTY CHAMBER (RESIDENTIAL PROPERTY)

Scott Schedule

Property: **Leen Court Leen Gate Lenton Nottingham NG7**

Case References: **BIR/00FY/LIS/2020/0046**

Item Cost Heading: **Scott 2 Legal and Accountancy**

No.	1 Issue/Item (To include Date)	2 Amount £ (Stating Apportionment if appropriate)	3 Applicant Comment	4 Applicant Amount Considered Acceptable	5 Respondent Comment and justification for charge	6 Respondent Amount Claimed or Accepted	7 Tribunal Comment – Decision Paragraph Reference	8 Tribunal Amount Allowed
April 2018 – March 2019								
1 (14)	Legal and Accountancy invoices 2018/19. As per new Directions 6 and judgement reserved from previous Hearing (Claiming invoices were with Adam new).	£3,022 – as per Service Charge Statement 2018/2019.	Para 1 missing invoices. Those provided add up to £1216.80 so where are the rest? 60% are missing. Para 2 poor accounting. Accounts have been filed. NE not in post until 1st Dec 2019	£0 No invoices. At the time of submission Apr 2023, no invoices were available until end June.	Para 1 £3021.60 claimed		Disallowed – see paragraph 20	£0

April 2019 – March 2020									
2 (15)	GoCardless Accountancy service S/O £70.90 per month x 12 = £850.90 plus £85 unknown As per new Directions 6 and judgement reserved from previous Hearing.	£945.80 As per 2020 Breakdown Invoice list (respondents)	Para 1 missing invoices. No paperwork to support this S/O and service. Para 2 poor accounting Posting company accounts without supporting paperwork.	£236.45 25% only allowed representing 'some' service (previously 50% discounted as per the last tribunal) – 25% represents 'some' service.	Para 2 - £945.80 claimed	25% allowed – see paragraph 21	£236.45		
3	Foremost Security Inv 28603 - £90 Inv 29015 - £30	£120 As per 2020 Breakdown Invoice list (respondents)	Para 1 missing invoices. Para 2 poor accounting No invoice, no evidence work was carried out	£0 No invoices	Para 3 £120 claimed.	Disallowed see paragraph 22	£0		
4	Taylor Bracewell (1)	£240	Para 5 No contract liability	£0	Para 4 not part of this		£0		

								Disallowed see paragraph 23	
5	£240 dated 3/4/19 Supplying template service charge and ground rent			Para 6 Unreasonably incurred. Outsourcing basic functions. Overuse of a solicitor. No evidence it was paid out of GR.			case – paid from GR.		
	Low Cost Accountants (2)	£240	£240	Para 5 No contract liability Para 6 Unreasonably incurred. A room did not need to be rented at this cost.	£0	Para 4 paid out GR.	As above	Disallowed see paragraph 24	£0
	£240 Room Rental – dated 2/5/19								
6	Taylor Bracewell (4) £240 Telephone legal advice – dated 5/8/19		£240	Para 5 No contract liability Para 6 Unreasonably incurred. Overuse of a solicitor.	£0	Para 4 paid out of GR	As above	Disallowed see paragraph 25	£0
	Taylor Bracewell (11)	£467.40	£467.40	Para 5 No contract liability Para 6	£0	Para 4 paid out of GR		See paragraph 26	£180.00
7									

	£467.40 (£441.81 on account) – dated 27/11/19		Unreasonably incurred.							
8	General advice to two Leaseholders Taylor Bracewell (13) £810 – dated 27/11/19 Shareholder's request for Register of Members	£810	Para 5 No contract liability Para 6 Unreasonably incurred.	£0	Para 4 paid out of GR		Disallowed see paragraph 27		£0	
9	Taylor Bracewell (14) £420 – dated 8/1/20 Single Alternative Inspection Location Address	£420	Para 5 No contract liability Para 6 Unreasonably incurred.	£0 All SAILs have been previously disallowed as per previous hearing.	Para 4 paid out of GR		Disallowed see paragraph 28		£0	
April 2020 - March 2021										
10.	ICO	£35	Para 1 missing invoice	£0 No invoice	Para 4 – paid out of GR	No invoice, no evidence the work	Disallowed see paragraph 29		£0	

	£35 – dated 1/12/20 No Invoice		Para 2 poor accounting Para 3 Inexplicable 20/21 accounts		No evidence it was paid out of GR.	took place or payable.		
11	Taylor Bracewell (6 & 11) £1053 – dated 6/11/20 Contract dispute NE	£1053 This invoice is shown as £153 in the supporting schedules. Therefore the legal total as per SC statement is incorrect. This is evidence of very poor accounting and brings the whole legal expenditure into further question before the reasonableness of the invoice is considered.	Para 2 Poor accounting Para 3 Inexplicable 20/21 accounts Para 5 Contract liability Para 6 Unreasonably incurred Overuse of solicitor – personal dispute between LCM and NE.	£0	Para 4 – paid out of GR		Disallowed see paragraph 30	£0
12	Taylor Bracewell (7 & 10)	£810	Para 1 missing invoice	£0 No invoice	Para 4 – paid out of GR	E mail, not an invoice so not	Disallowed see paragraph 31	£0

	<p>£810 – dated 18/11/20</p> <p>Unspecified Legal Services – e mail not an invoice.</p> <p>Incorrectly assigned as an invoice – ignore this line item</p>	<p>£500 on account – no invoice</p>	<p>Para 2 poor accounting</p> <p>Para 3 Inexplicable 20/21 accounts</p> <p>Para 5 no contract liability</p> <p>Para 6 Unreasonably incurred.</p> <p>Overuse of a solicitor.</p> <p>No detail of legal services provided.</p> <p>Should have been resolved by the Property Manager.</p>	<p>Para 2 poor accounting</p> <p>Para 3 Inexplicable 20/21 accounts</p> <p>Para 5 no contract liability</p> <p>Para 6 Unreasonably incurred.</p> <p>Overuse of a solicitor.</p> <p>No detail of legal services provided.</p> <p>Should have been resolved by the Property Manager.</p>	<p>No evidence it was paid out of GR.</p>	<p>acceptable reporting.</p>		
<p>13</p>	<p>Taylor Bracewell (8)</p> <p>£433 – dated 12/1/21</p> <p>Registered single alternative inspection location</p>	<p>£433</p>	<p>Para 3 Inexplicable 20/21 accounts</p> <p>Para 5 No contract liability</p> <p>Para 6 unreasonably incurred</p> <p>Overuse of a solicitor.</p>	<p>£0</p> <p>Disallowed as per other years</p>	<p>Para 4 – paid out of GR</p>		<p>Disallowed see paragraph 32</p>	<p>£0</p>

14	Taylor Bracewell (9) £441.81 – dated 7/5/20 General Advice – says ‘debt work’ ‘Can’t see the word debt’ now	£441.81	Outsourcing basic functions. Does not benefit Leaseholders. Not chargeable, LCM admin or LH action only. Para 3 Inexplicable 20/21 accounts Para 5 no contract liability Para 6 Unreasonably incurred. Overuse of a solicitor. No detail of legal services provided. Should have been resolved by the Property Manager.	£0	Para 4 – paid out of GR No evidence it was paid out of GR.	Disallowed see paragraph 33	£0
15	Nelsons (12) £1500 – dated 16/3/21 Legal Services	£1500	Para 3 Inexplicable 20/21 accounts Para 5 no contract liability	£0	Para 4 – paid out of GR	Disallowed see paragraph 34	£0

16	Nelsons £3000 – 27/2/21 No invoice No detail	£3000 No invoice.	Para 1 missing invoice Para 2 poor accounting Para 3 Inexplicable 20/21 accounts Para 5 no contract liability Para 6 Unreasonably incurred. Overuse of a solicitor. No detail of legal services provided.	£0 No invoice – inexplicable. Poor accounting	Para 4 – paid out of GR			Disallowed see paragraph 35	£0
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17	Accountancy £70.90 x 12 = £850 Dated 31/3/21 No invoice No detail of service	£850 As per 2021 Breakdown Invoice list (respondents)	Should have been resolved by the Property Manager. No effort to obtain relevant paperwork for such a large invoice.	25% only – represents some service £212.50 Inexplicable accounts – no accountant should have signed off these accounts.	Para 4 – paid out of GR No evidence it was paid out of GR.	25% allowed see paragraph 36	£212.50
18	Nelsons (14) £2100 – dated 15/2/21 Legal Service	£1400 Invoice says £2100	Should have been resolved by the Property Manager. No effort to obtain relevant paperwork for such a large invoice.	25% only – represents some service £212.50 Inexplicable accounts – no accountant should have signed off these accounts.	Para 4 – paid out of GR	Disallowed see paragraph 37	£0

19	Nelsons (15) £270 – dated 15/2/21 Unpaid Counsel fees	£270		Overuse of a solicitor. No detail of legal services provided. Should have been resolved by the Property Manager.	£0		Para 4 – paid out of GR	Disallowed see paragraph 38	£0
April 2021 – March 2022									
20	Legal and Accountancy	£28,173 As per SC statement now		Para 1 missing invoices.	£0		Para 4 – paid out of GR	Disallowed see paragraph 39	£0
									How can this be signed off

	<p>Invoices 2021/2022 not provided as per New Directions 6</p>	<p>received from Franklins.</p> <p>Unreasonably high L&A spend without explanation.</p>	<p>Para 2 poor accounting</p> <p>Para 4 Accounts 21/22 not received, but posting company accounts without supporting paperwork. Very late delivery of SC statement 14/4/23.</p> <p>Para 5 no contract liability</p> <p>Para 6 Unreasonably incurred. Unreasonably high L&A spend without explanation.</p>	<p>without an explanation to the LH.</p> <p>Legal spend is 180% higher this year – see SC statement.</p>	<p>No evidence it was paid out of GR.</p>			
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FIRST - TIER TRIBUNAL PROPERTY CHAMBER (RESIDENTIAL PROPERTY)

Scott Schedule

Property: **Leen Court Leen Gate Lenton Nottingham NG7**

Case References: **BIR/00FY/LIS/2020/0046**

Item Cost Heading: **Scott 2 Staffing**

No.	1 Issue/Item (To include Date)	2 Amount £ (Stating Apportionment if appropriate)	3 Applicant Comment	4 Applicant Amount Considered Acceptable	5 Respondent Comment and justification for charge	6 Respondent Amount Claimed or Accepted	7 Tribunal Comment – Decision Paragraph Reference	8 Tribunal Amount Allowed
April 2018 – March 2019								
	2018/9 Staffing invoices already disallowed to £7,100 as per previous Tribunal.		£17,089.50 paid as salary and disallowed to £7100 – previous tribunal					
April 2019 – March 2020								
	2019/20 Staffing invoices (to £7,100) and redundancy £9,000 (to £0) already disallowed as per previous Tribunal.		£24,042 paid as salary and disallowed to £7100. £9000 redundancy disallowed to £0 previous tribunal					

21.	New Estates Management Fee (16) (wrongly categorised in L&A) £4707.40 Invoice 1st Dec 2019 – 31st March 2020 (4 months)	£4707.40 The Respondents were paying New Estates AND Property Manager Maria Hardy (see 2020 Breakdown Invoice list).	Paying 2 personnel for the same job. Maria Hardy Approx £2.2k per month, total £9,553.85 AND Invoice to New Estates £4707.40 for the same period. Para 7 Staffing payments – overinflated salary payments to Maria Hardy.	£0 (£9553.85) plus £9k redundancy also paid in this period to Maria Hardy. £0 No invoice	Para 5 £4792.40 claimed plus £7313.92 salary to MH – it should be £9553.85 (4 months).	Payment to Miss Hardy disallowed. New Estate Management fee allowed. See paragraph 40	£0 £4,707.40
April 2020 - March 2021							
22.	Maria Hardy Redundancy £5000 XXX No invoice (Apparently should be £4000 as per	£5000 As per 2021 Breakdown invoice list (respondents)	Para 1 Missing invoice Para 2 Poor accounting	£0 No invoice	Para 6 – paid from GR – not part of this tribunal.	Disallowed see paragraph 41	£0

	<p>Directors) – dated 19/5/2020</p> <p>Unsure what was paid. No evidence the accounts been corrected.</p>	<p>No invoice or paperwork for this payment</p> <p>A cash payment from a Director to herself.</p>	<p>Para 3 Inexplicable accounts</p> <p>Para 7 Staffing payments – overinflated salary payments to Maria Hardy</p> <p>According to the Directors 'No staffing costs were paid during 20/21' – (17/5/21 to the Tribunal) – see supporting docs (21).</p>	<p>£0</p> <p>No invoice</p>	<p>Para 4 – paid by GR – not part of this case.</p>			
23.	<p>Staff Costs</p> <p>£4710.60</p> <p>No invoice, no detail</p>	<p>£4,710.60</p> <p>As per 2021 Breakdown invoice list (respondents)</p> <p>Assumed to be for New Estates, no invoice or paperwork.</p>	<p>Para 1 Missing invoice – no evidence to confirm if the service was provided.</p> <p>Para 2 Poor accounting</p> <p>Para 3 Inexplicable Accounts</p>	<p>£0</p> <p>No invoice</p>	<p>Para 4 – paid by GR – not part of this case.</p>		<p>Costs allowed subject to confirmation that this charge related to New Estate Management see paragraph 42</p>	<p>£4,710.60</p>

April 2021 – March 2022																			
24.	Staffing to Agent Franklin Management. No invoices 2021/2022 as per New Directions 6	£1,407 as per SC statement now available. No paperwork provided. Applicants assume Franklins Management Fee has been paid and accounted under L&A. No explanation of this variance.	Para 1 Missing invoice Para 2 Poor accounting Para 4 2021/22 Accounts not received, no explanations. No Invoices provided by Respondents, hence there is no evidence to confirm if the service was provided.	£0	Para 7 £1407 claimed.	Costs allowed subject to confirmation that this charge related to Franklin Management see paragraph 43													

FIRST - TIER TRIBUNAL PROPERTY CHAMBER (RESIDENTIAL PROPERTY)

Scott Schedule

Property: **Leen Court Leen Gate Lenton Nottingham NG7**

Case References: **BIR/00FY/LIS/2020/0046**

Item Cost Heading: **Scott 2 Repairs & Maintenance**

No.	1 Issue/Item (To include Date)	2 Amount £ (Stating Apportionment if appropriate)	3 Applicant Comment	4 Applicant Amount Considered Acceptable	5 Respondent Comment and justification for charge	6 Respondent Amount Claimed or Accepted	7 Tribunal Comment – Decision Paragraph Reference	8 Tribunal Amount Allowed
April 2018 – March 2019								
25.	Discrepancy Service Charge Statement v Invoices Received £520.14 As per Directions 6 and judgement reserved from Hearing	£520.14	Para 1 missing invoices Para 2 poor accounting Posting company accounts without supporting paperwork.	£0	.		Disallowed see paragraph 44	£0

April 2019 – March 2020									
26.	Grays Locksmith £232.50 – dated 20/1/20 No invoice	£232.50	Para 1 missing invoices Para 2 poor accounting	£0	Para 3 £232.50 claimed		Disallowed see paragraph 45	£0	
27.	Saracen Fire £324 – dated 20/1/20 No invoice	£324	Para 1 missing invoices Para 2 poor accounting	£0	Para 3 £324 claimed		Disallowed see paragraph 46	£0	
28.	Pelliere £58.62 & £372 – dated 20/1/20. No invoice	£58.62 £372	Para 1 missing invoices Para 2 poor accounting	£0	Para 3 £58.62 and £372 claimed	As above	Disallowed see paragraph 47	£0	
29.	Samson Services Multiple Invoices for Weekly Fire Alarm Testing	Samson Services £465 (6) April £620 (16) May £620 (35) June £620 (45) July £620 (53) Aug £310 (59) Sep £155 per weekly test – total 21 tests.	Para 8 Unreasonable spend with a related party. Samson Services (19) (tel 07563 753959) has the same tel number as LGCP. Mr Marshall is a	£987 to be disallowed to £0 as £47 difference between £155 per test and £108 per test. £47 x 21 = £987	Para 8 £3410 claimed.		Costs reduced by £987.00 see paragraph 48	£2,268.00	

				Unreasonably spent. Samson overcharging for the same service.																			
30.	Saracen took over the service and their invoices as follows:	Saracen £108 (61) 68,69,78 plus 5 others) – 9 invoices all identical for the same service, offered at £108.	Director of both companies.																				
	Samson Services £222 Multiple Invoices for monthly Emergency Light Test (ELT or Flick test)	Samson Services £222 (10) April £222 (32) June £222 (36) July £222 (46) Aug £222 (54) Sep £222 (60) Oct No testing after these dates.	Para 8 Unreasonable spend with a related party. This test was done on the same days as the Fire Alarm tests above.	£726 to be disallowed to £0 (should be £102 x6 = £612) £121 (should be £102 – my mistake) per test is the difference between Samson and Saracen.	Para 8 £1332 claimed.																		
	Saracen took over the service in Jan 2021	Saracen charge £120 for the same service – invoice (3) Saracen	Overcharging by £222-120 = £102	Overcharging for the same service																			

	Franklins (18) now offering both Fire Alarm testing and monthly ELT testing for £330/month – see their budget 22/23 and 23/24 of £3960.									
	Samson charged £620 + £222 = £842 per month, overcharging of £512/month									
April 2020 - March 2021										
31.	R&M invoices £67,005.94 outstanding and unaccounted for. £1,278.14 Service Charge collected per flat, so annual income £90,747.94, see Service Charge demand letter (20). Only £23,742 accounted for in SC statement for L&A, Staffing, R&M and S&D, so discrepancy of £67,005.94	£67,005.94	Para 1 missing invoices Para 2 poor accounting Para 3 inexplicable accounts 2020-21	£0					Disallowed see paragraph 50	£0

	Needs explaining by the accountants or the Directors.						
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FIRST - TIER TRIBUNAL PROPERTY CHAMBER (RESIDENTIAL PROPERTY)

Scott Schedule

Property: **Leen Court Leen Gate Lenton Nottingham NG7**

Case References: **BIR/00FY/LIS/2020/0046**

Item Cost Heading: **Scott 2 Sundries & Depreciation**

No.	1 Issue/Item	2 Amount £	3 Applicant	4 Applicant	5 Respondent	6 Respondent	7 Tribunal	8 Tribunal
	(To include Date)	(Stating Apportionment if appropriate)	Comment	Amount Considered Acceptable	Comment and justification for charge	Amount Claimed or Accepted	Comment – Decision Paragraph Reference	Amount Allowed
April 2018 – March 2019								
33. (55)	Sundries & Depreciation £109.52 – discrepancy between Service Charge S&D Total and invoices received. As per Directions 6.	£109.52	Missing invoices para 1 Poor Accounting Para 3 Posting company accounts without supporting paperwork.	£0	Accepted as £0 Accounting errors.		Disallowed see paragraph 52	£0
April 2019 – March 2020								
Invoices received match SC statement								

April 2020 - March 2021							
34.	Car Park patrol fees £710 – dated 6/11/20	£710 As per 2021 Breakdown Invoice list (respondents) No invoice	Para 1 missing invoice Para 2 Poor accounting. Posting company accounts without supporting paperwork. Para 3 Inexplicable accounts.	£0 No invoice	Para 4 – paid from GR.	Disallowed see paragraph 53	£0
April 2021 – March 2022							
35.	S&D as per SC statement now received. £341 No 2021/22 accounts or invoices received as per Directions 6	£341	Para 1 missing invoice Para 2 Poor accounting. Posting company accounts without supporting paperwork. Para 4 No 2021/22 accounts or invoices to confirm expenditure or services provided.	£0 No invoice	Para 10 £341 claimed.	Disallowed see paragraph 54	£0