



FIRST-TIER TRIBUNAL
PROPERTY CHAMBER
(RESIDENTIAL PROPERTY)

Case reference : CHI/29UG/LSC/2023/0137

Property : Southfields House, 5 Southfields Green,
Gravesend DA11 7BF

Applicants : ~~Lindsey Lynsey~~ Gray
Adekoyejo Odusina
Ricky looms
Farah Butt
Abiola Adejumo

Representative : Andrew Gray

Respondent : Southfields House RTM Company
Limited

Representative : No appearance

Type of application : For the determination of the liability to
pay service charges under section 27A of
the Landlord and Tenant Act 1985

Tribunal members : Mr C Norman FRICS
Mr B Bourne MRICS
Mr D Ashby FRICS

Venue & Date of
Hearing : Ashford Tribunal Hearing Centre,
4 July 2024

Date of decision : 16 October 2024

DECISION

Re-issued with typographical corrections under r.50 shown in strikethrough
and underlining on 13 November 2024

Decisions of the Tribunal

- (1) The Tribunal makes the determinations as set out under the various headings in this Decision and the annexed Scott Schedule.
- (2) The Tribunal makes an order under section 20C of the Landlord and Tenant Act 1985 so that none of the landlord's costs of the tribunal proceedings may be passed to the lessees through any service charge.
- (3) The Tribunal makes an order under Para 5A of Sch 11 Commonhold and Leasehold Reform Act 2002 ("the 2002 Act") that the landlord may not recover litigation costs via administration charges against the applicants.
- (4) The Tribunal orders that the applicants' hearing and application fee be reimbursed by the respondent within 28 days of this decision.

The application

1. The Applicants seek a determination pursuant to s.27A of the Landlord and Tenant Act 1985 ("the 1985 Act") as to the amount of service charges payable by the Applicant in respect of the past service charge years

2017/2018

2018/2019

2019/2020

2020/2021

2021/2022

And the future service charge year

2022/2023

The applicants also apply for orders under s 20C of the 1985 Act Para 5A Sch. 11 of the 2002 Act for reimbursement of the application and hearing fees.

The hearing

2. The Applicants appeared in person and were represented by Mr Andrew Gray. Ms Abiola Adejumo also attended and Mr Luke Vilain as an observer.
3. At the hearing the Tribunal directed the applicants to provide, following the hearing, an electronic version of the Scott Schedule in MS Word format and to provide a further submission on a Scott Schedule entry. It subsequently requested evidence of redecorating cost (see below), having raised this orally at the hearing.

The background

4. The property which is the subject of this application is a modern block of 12 flats dating from 2008. Photographs of the building were provided in the hearing bundle. Neither party requested an inspection, and the Tribunal did not consider that one was necessary, nor would it have been proportionate to the issues in dispute. In 2018, a previous service charge case was heard concerning the same property CHI/29UG/LIS/2018/0009 between different parties. That determined (amongst other matters) that 50% of the communal electricity cost should be apportioned to the building (see below).
5. Directions were issued on 15 January 2024 listing the application for a case management and dispute resolution hearing on 6 February 2024. Following that hearing, further directions were issued on 9 February 2024 of which Paragraph 24 directed the Respondent to send to the Applicant *"copies of all documents they seek to reply upon, to include copies of invoices, management agreements and service charge accounts for the relevant years."* On 11 April 2024, it was directed that a related section 20ZA dispensation application CHI/29UG/LDC/2024/0051 would be heard with the section 27A case.
6. By a case management order of 7 May 2024, the Tribunal stated, "if there have been issues in relation to disclosure, then these should be raised within [the parties'] statements of case so that they can be addressed in any subsequent replies". On 19 June 2024 the Tribunal (Regional Judge Whitney) made an Unless Order against the respondent for failure to disclose its statement of case, effective 21 June 2024. On 21 June 2024 the respondent sought an adjournment which was refused. No statement of case was provided by the respondent and the respondent which was therefore debarred from participating in the hearing.
7. Rule 9(8) of the Tribunal Procedure (First-tier Tribunal)(Property Chamber) Rules 2013 states: "If a respondent has been barred from taking further part in the proceedings under this rule and that bar has not been lifted, the Tribunal need not consider any response or other submission made by that respondent and may summarily determine any or all issues against that respondent." The respondents were not

debarred from the section 20ZA application (CHI/29 UG/LTC/2024/0051).

8. Although there was no statement of case, a considerable volume of disclosure by the respondent had been provided. This included service charge accounts for all years except 2022-23, for which a budget was supplied.

The Applicants' Case

9. The applicants stated that Hyde Housing was the original management company for Southfields House. In 2017 Southfields House RTM Company Limited took over management responsibilities and appointed a managing agent named Blocsphere Property Management Limited. The applicants submitted that the RTM company had no authority to assume management before 1 April 2018. The applicant referred to an injunction having been obtained in relation to that dispute. In 2017, the applicant made payments to Hyde Housing and was advised by Hyde Housing not to make payments to the RTM company.
10. The Applicants complained that they were owed monies by the respondent which should be repaid. The Applicants also complained that the RTM accounts were unsigned.
11. There were a large number of disputed items. These were directed to be set out in a Scott Schedule. Whilst this was done, additional schedules were also provided. Therefore, although this was done in an attempt to set out all the information, the Tribunal has had to marshal and understand the applicant's position by reference to multiple sources of information for each entry. Furthermore, the Scott Schedule references do not reflect the eventual bundle pages. This has also resulted in a bundle of 1610 pages which is very large for a one-day case.
12. The Tribunal therefore relies primarily on the Scott Schedule to record its decisions, supplemented where necessary below.

The Respondent's Case

13. No statement of case was received but the Tribunal has had regard to documents provided by the respondent to the extent it considers proper.

The Lease

14. The service charge mechanism is set out at clause 7 of the lease. The Tribunal notes that the tenant is liable to pay sums on account until the

landlord certifies actual expenditure. The Tribunal notes that no such certificate has been provided for the year ending 31 March 2023. Therefore, in respect of that year, the Tribunal has determined payability on account only, under section 27A(3) of the 1985 Act.

Findings

15. Although no copy of the injunction was supplied, an invoice at [943]¹ from Blocsphere to Southfields House RTM states “addition (sic) work relating to postponement of management services, liaising with leaseholders and directors and postponing all contractors’ services until 1 April 2018”. The applicants’ case is further supported by an invoice from Brethertons solicitors to Blocsphere dated 28 March 2018 which references the application for an injunction [949]. There is further reference in Hyde Housing’s letter of 4 March 2021 [411]. Therefore, the Tribunal finds that Blocsphere was not entitled to levy service charge demands prior to 1 April 2018.
16. The Tribunal has considered each entry on the Scott Schedule on its merits and then decided whether to apply rule 9(8). In many cases, the applicants have complained that invoices are missing. The Tribunal finds that the signed service charge accounts are not conclusive as to expenditure, because they are not based on an audit and reflect a sampling of invoices only [517]. Secondly, the applicants are entitled to see the invoices said to give rise to their liability. Thirdly, the Tribunal directed full disclosure of invoices, which has not been provided. Fourthly, expenditure, where supported by invoices may nevertheless fall outside the terms of the lease or be unreasonable in amount. Furthermore, as pointed out by the applicants, the accounts for the years ending 31 March 2021 and 2022 are unsigned. There are no accounts for the year ending 31 March 2023, but an updated budget for that year [563] to which the Tribunal has had regard.
17. The Tribunal records the majority of its findings on the attached Scott Schedule. The Tribunal has no power to order repayment of service charge monies or consider matters relating to the internal management of the RTM company.

The Major Works – Background and Findings

18. In about August 2019 internal redecorating was carried out at a total cost of £35,664. The landlord admitted that the section 20 consultation procedure was not carried out. Consequently, the current finding is that the recovery is limited to £250 per lessee which the applicants have offered, unless and until dispensation is granted. However, as there is a dispensation application, the Tribunal invited the applicants both at the hearing and subsequently by further directions, to propose an alternative figure. The Tribunal expressed the view at the hearing that the level of cost incurred appeared very high for a low rise building of 12 flats dating from 2008. The applicants responded putting forward a very low informal figure and another current quote from SJ General

¹ Square brackets denote bundle page numbers.

Building Services of £9,495. They made the point that the price would need adjusting for time. The Tribunal, unusually, and absent expert evidence decided to carry out the adjustment itself and applied the Building Cost Information Service Tender Price Indices. These showed a 17.61% adjustment between the date the work was carried out (third quarter 2019) and the date of the quotation (third quarter of 2024). The consequential adjusted sum was £8,100. The Tribunal wrote to the parties on 16 September 2024 putting this forward and inviting further comments. None were received. The Tribunal therefore finds that the reasonable cost of carrying out this work was £8,100. It also finds that no VAT would be payable as many contractors for this type of work would not be registered for VAT. However, it finds that the managing agents would be entitled to a management fee for supervising the works. In the management contract [1591] this is stated as 15% plus VAT. However, under the management contract this is directly referable to the consultation stage reached. From the Preliminary Submissions for the section 20ZA application [85] only the notice of intention was served. Therefore, the only fee payable is 25% of the 15% which is 3.75%. To this VAT should be added giving a total management fee for this contract of 4.5%. This aggregates to £8,464.50.

Application under s.20C and refund of fees

1. The Applicants made application for a refund of the fees paid in respect of the application and hearing. Having considered the merits of the applicants' cases, the outcome and the conduct of the respondent leading to its debarment, the Tribunal orders the Respondent to refund the fees paid by the Applicant of £300 within 28 days of the date of this decision.
2. In the application form the Applicants applied for orders under section 20C of the 1985 Act. Having taking into account the determinations above, and the conduct of the respondent resulting in its debarment, the Tribunal determines that it is just and equitable in the circumstances for orders to be made under section 20C of the 1985 Act, so that the Respondent may not pass any of its costs incurred in connection with the proceedings before the Tribunal through the service charge in respect of the applicants in this case.
3. For the same reasons above, the Tribunal makes orders under Paragraph 5A of Sch 11 of the 2002 Act that no costs in relation to this litigation may be recovered from the applicants by means of an administration charge.

Name: Mr C Norman FRICS

Date: 16 October 2024

Rights of appeal

By rule 36(2) of the Tribunal Procedure (First-tier Tribunal) (Property Chamber) Rules 2013, the tribunal is required to notify the parties about any right of appeal they may have.

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

The application for permission to appeal must arrive at the regional office within 28 days after the tribunal sends written reasons for the decision to the person making the application.

If the application is not made within the 28-day time limit, such application must include a request for an extension of time and the reason for not complying with the 28-day time limit; the tribunal will then look at such reason(s) and decide whether to allow the application for permission to appeal to proceed, despite not being within the time limit.

The application for permission to appeal must identify the decision of the tribunal to which it relates (i.e. give the date, the property and the case number), state the grounds of appeal and state the result the party making the application is seeking.

If the tribunal refuses to grant permission to appeal, a further application for permission may be made to the Upper Tribunal (Lands Chamber).

[SCOTT SCHEDULE] [16 OCTOBER 2024]

Summary of Bundle 2 (which was sent to the Respondent) and recording what is personally considered a reasonable charge.

DISPUTED SERVICE CHARGES S/C YEAR ENDED 2017-2018

Case Reference: CHI/29UG/LSC/2023/0137	Premises: Southfields House, Gravesend
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ITEM	Actual Charge £	Reasonable Charge £	Difference £	Explanation [Applicants' Case]	LEAVE BLANK (FOR THE TRIBUNAL)
insurance	221	0	[221]	This invoice is missing and Hyde was still providing insurance. Further, at this time, Hyde was still legally managing this block.	Accept applicants' case. Rule 9(8) applied. This only applies to demands from Blocsphere Property Management.
repairs and maintenance	3,995	0	3,995	The Respondent has provided no evidence of the costs incurred in this period where Blocsphere essentially had no authority to act Invoices shared total £945 and these invoices are challenged as no evidence of purpose or request of work and indeed the amount charged. Also, raised when not legally in charge to manage block.	Accept applicants' case. Rule 9(8) applied. This only applies to demands from Blocsphere Property Management.

cleaning	467	0	467	No invoices shared. Paid Hyde. Not in charge.	Accept applicants' case. Rule 9(8) applied. This only applies to demands from Blocsphere Property Management.
health and safety	108	0	108	No supporting evidence provided	Accept applicants' case. Rule 9(8) applied. This only applies to demands from Blocsphere Property Management.
utilities					No entry so no apparent dispute.
professional fees	4,099	0	4,099	No audit or accountancy invoices are shared so please wipe the £594 (page 18). The only professional fee (excluding management agent fees) within this financial year which has been disclosed appears to be page 436, a bill for £1680 regarding a solicitor's letter for late payment. This invoice has been queried as the dates stamped are incorrect and information is missing regarding the late payment or indeed why the	Accept applicants' case. Rule 9(8) applied. This only applies to demands from Blocsphere Property Management. The invoice at 436 [949] refers

				<p>solicitor was used when they were not legally in charge of the block.</p> <p>Blocsphere's management fees have been removed on the basis that they had no authority to act before 1st April 2018.</p>	<p>to a disputed claim to acquire the right to manage and would be anyway disallowed as falling outside the lease.</p>
Admin including postage	3,543	0	3,543	<p>Invoices shared don't come to this total. Already challenged £595.11 on invoices (see Bundle 2).</p> <p>Request that £1232 is removed for loan administration as we are still not made aware what the loan is for, how much or what it entails.</p> <p>Invoices raised for Blocsphere not doing the legal work correctly to manage the block totalling £1530 is asked to be wiped.</p> <p>£833.83 for site visits, mileage and AGM costs are asked to be wiped as no evidence has been provided and they were not legally managing the block.</p> <p>Postage and stationery costs have been allowed in full. However, interestingly, invoices shared for postage is several pounds more than what is disclosed in the financial statements. The other costs have been removed because they haven't been justified, relate to a period before they took over and did not comply with Appendix III within the contract.</p>	<p>Accept applicants' case. Rule 9(8) applied. This only applies to demands from Blocsphere Property Management. In any event costs relating to establishment of the RTM company are outside the lease as are loan administration costs.</p>

				Still not legally in charge.	
	12,433	0	12,433		nil payable

DISPUTED SERVICE CHARGES S/C YEAR ENDED 2018-2019

Case Reference: CHI/29UG/LSC/2023/0137	Premises: Southfields House, Gravesend
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Note that the RTM refused to share ledger or bank statements for Tribunal. However, on the 26th of March 2021 Joy Davies did send James Johnston a “...breakdown of all expenditure incurred during this period”. This only covered utilities (£1678.75), administration (£3195.17), professional fees (£8775 as recorded £4815 and £3960 for managing agent fees), Repairs and maintenance (£1360 as recorded £588, £313.20 and £459). This appears to exclude certain categories, such as cleaning and totals shared are significantly less than the total shared in the ledger. No explanation was ever provided and my S21 request was refused.

ITEM	Actual Charge £	Reasonable Charge £	Difference £	Explanation [Applicants Case]	LEAVE BLANK (FOR THE TRIBUNAL)	TRIBUNAL FINDINGS /£
insurance	386	224.60	161.40	The only invoice shared in the bundle (pages 474 – 481) totals £224.60	The invoice from Lansdown Insurance Brokers is for £244.60 [988] not £224.60 and the tribunal finds that payable.	244.60
utilities	1,738	869	869	Agreed 50% recharge to be applied	The applicant clarified that this was reference to the Tribunal decision of Bennett v Hyde Vale CHI//29UG/LIDS/2018/0009 Para 30 where electricity for common parts was apportioned at 50% owing to the car park being shared with other residents on the estate. The Tribunal respectfully follows that approach and accepts the applicant’s case.	869

repairs and maintenance	1,781	242	1,539	<p>RTM refused to share ledger or bank statements for Tribunal. Several years ago, they sent James Johnston parts of a ledger. This ledger records that significantly less was spent on repairs and maintenance than the total in the financial statement.</p> <p>For Tribunal only invoices totalling £485 have been shared and even this amount has been challenged in respect of whether this work was actually requested, required and completed.</p>	The £1781 appears in the signed accounts but the Tribunal accepts that only invoices of £485 have been provided. The Tribunal accepts the applicants' cases under Rule 9(8).	242
health and safety	620	78.30	541.7	<p>Only invoices totalling £156.60 have been shared. No evidence this work was completed or requested. No invoice has been shared in respect of fire equipment totalling £313.</p>	The respondent has failed to provide all invoices, and the tribunal applies Rule 9(8) and finds for the applicant.	78.30
cleaning	600	200	400	<p>Only invoices totalling £200 have been shared. No time sheets or evidence of work has been provided, despite agreeing that such back-up would be available for</p>	Tribunal told no timesheets. Accept applicants' case. Rule 9(8) applied.	200

				inspection (as agreed with Hyde)		
postage and stationery	75	41.04	33.96	Postage invoices total £41.04, not £75 as in accounts	Accept applicants' case. Rule 9(8) applied.	41.04
admin	3,785	353	3,432	<p>Out of hours / out of contract work has never been explained or justified so disallowed. All other expenses allowed in full</p> <p>Administration invoices do not come to this total. Out of hours financial statement is £3279 but invoices shared total £1293.50. These invoices have been challenged as they did not follow the contract agreement in Appendix III, charged unreasonable amounts and the incorrect hourly rate. E.g. Looking at Bundle 1, £240 was invoiced to call an electrician on a Sunday morning (11.35) to request them to fix lights in the</p>	<p>Electrician invoice to fix lights of £240 is reasonable. Out of hours management time to deal with the lights is limited to £50 plus VAT. GDPR cost £353 accepted by applicant.</p> <p>Costs relating to the AGM for the RTM are disallowed as falling outside the lease. They are costs relating to the RTM Company.</p> <p>Total allowed £653.</p>	653

				<p>communal area. It appears from the invoice that leaseholders were charged two hours, £100 an hour + VAT (page 447), yet according to the contract, out of hours work would be £25 per hour (see page 1039). No evidence is provided to explain why two hours was needed to make a phone call; page 486 raises and invoice of £741, additional hourly rate for travel for an AGM meeting. (a train ticket for £50.48 was also raised for this AGM meeting which no leaseholders were informed about and provided no evidence that the train ticket was indeed purchased). The remaining invoices were also challenged for being unreasonable (see Bundle 2).</p>		
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				<p>Invoice for £353 relating to GDPR but no fire safety notices totalling £66. No invoices showing £6 for debit/credit surcharges.</p> <p>AGM: As well as challenging the train ticket (50.46) and the £741 invoice for the managing agent to sit on a train to attend the AGM, the £65 invoice for the AGM meeting and £15 for Maepa gym room (assuming this is for an AGM meeting as no explanation is provided) due to no evidence being provided to prove that leaseholders were advised about or invited to the AGM meeting and no minutes of the meeting was disclosed. The financial statement only records £65 for AGM expenses, not the hire room at Maepa gym.</p>		
professional fees	9,771	4,660	5,001	Only pay £700 for accounting invoice and £3960 management fees.	The Tribunal finds that the lease does allow recovery of reasonable legal costs in principle in connection with the management of the building (clause 7(5)(c)).	4,660

				<p>Legal fees should have been covered by insurance and therefore have never been explained. All other expenses allowed in full</p> <p>Audit and accountancy invoices shared total £120 (page 473), not £810 (page 18) as shown in accounts</p> <p>No invoices for £5001 legal fees.</p> <p>Charged £186 (page 445 and 446) for Flat 10's professional fees. Request for this to be wiped.</p> <p>Page 451 £353 for GDPR</p> <p>Challenging mileage of £16.92 as no evidence of site visit occurring.</p>	<p>However, there is no evidence as to the nature of these costs or to what they relate to. Therefore, together with the application of Rule 9(8) the Tribunal disallows the legal costs and finds for the applicant.</p>	
	18,756	6,667.94	12,088.06			6,987.94

DISPUTED SERVICE CHARGES S/C YEAR ENDED 2019-2020

Case Reference: CHI/29UG/LSC/2023/0137	Premises: Southfields House, Gravesend
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Note that the RTM refused to share ledger or bank statements for Tribunal. However, on the 26th of March 2021 Joy Davies did send James Johnston a “...breakdown of all expenditure incurred during this period”. This only covered utilities (£84.60 for water, £744.15 for electricity), administration (£1451.40), repairs and maintenance (£313.20 and £1877.20), cleaning (£3663.58) and Health and Safety (£1394.40). This appears to exclude some categories, such as insurance. With the exception of utilities and Health and Safety, there appears to be a disparity between the total in the financial statement and what Joy Davis sent. This was never explained and my S21 request was denied.

ITEM	Actual Charge £	Reasonable Charge £	Difference £	Explanation [Applicants Case]	LEAVE BLANK (FOR THE TRIBUNAL)	TRIBUNAL FINDINGS /£
insurance	368	368	0	Allowed in full Invoices have been shared but no proof of payment or contract seems to have been provided.	Not disputed	368
utilities	829	414	415	50% recharge not applied	Applicants' cases accepted as per 2018/19	414
repair and maintenance	1,252	230	626	Invoices shared for internal and external building works total £459, not £939 and have been challenged.	Invoice to fix gate allowed. Fire equipment costs £288.60 allowed.	429.60

				<p>E.g. No evidence work was needed, requested or completed. Invoice raised for £141 to fix a gate post by adjusting and lubricating the bottom hinge bolt.</p> <p>Fire equipment, maintenance and servicing totals £288.60, not £330. No evidence work was requested or completed.</p> <p>50% allowed given the above uncertainty</p>	Total allowed £429.60	
health and safety	1,538	0	1538	No invoices shared so full amount disputed	Accept A's case as no invoice supplied and apply Rule 9(8)	0
cleaning	2,293	600	1,693	<p>Invoices shared only total £1767.66, there seems to be no evidence work being completed, duplication, incomplete and errors in invoices and over 380% increase in cleaning invoiced the year before. There is also a discrepancy in frequency of cleaning. £600 does not appear unreasonable given that an alternative company which was used this year and previous year only charged £50 and appear to be used monthly. The thoroughness and/or frequency of cleaning has also been challenged by leaseholders. When leaseholders challenged the Director, he claimed they were cheap.</p>	Accept applicants' case. Rule 9(8) applied.	600

deep cleaning	1,422	0	1,422	Invoices shared only total £1128, no evidence work was requested, why it was needed or evidence that it was done. No leaseholder has a memory of evidencing it being done. There is also a query over the price discrepancies from the two companies and the request for deep clean of carpets when the following day the cleaner has invoiced for three hours of a deep clean.	There are clear invoices [1028] and [1140] on 19 May 2019 and 20 February 2020 from About Cleaning Ltd and Rentokil referencing removal of urine / cleaning carpets from common parts. The Tribunal finds those payable at £240 and £888 total £1128.	1,128
postage and stationery	288	80	208	Invoices shared total £269.61. However, this is also very high. There is no explanation or evidence why this is not similar to previous years. justification outstanding. The RTM were previously asked to use second class postage but ignored.	Accept applicants' case. Rule 9(8) applied.	80
admin costs	1,451	116	1,335	There appears to be a discrepancy between the financial statement and invoices shared. There are also challenges regarding why invoices were raised and charged to all leaseholders within the service charges. Out of hours work: £969. Invoices shared and raised by Blocsphere are more than in the financial statements, totalling £1083 and are challenged as leaseholders are charged the	Accept applicants' case. Rule 9(8) applied.	116

				<p>incorrect hourly rate and an unreasonable amount. E.g. £342 with no information; £627 for out of hours service on bank holiday for biohazard cleaning – no explanation or purpose (page 501); £114 to make a phone call at 02:02 regarding issues in Flat 8 (page 612).</p> <p>Legal advice: £114 (only one invoice and appears to be duplicated in financial statement under professional fees). Challenge Blocsphere raising this invoice and charging leaseholders. There is no evidence of necessity or need and only relates to Flat 12.</p> <p>Debit/credit surcharges: £138. This total is challenged as only £4.33 was levied to leaseholders in 2017/2018 when BACs was used. The financial statement for the year before recorded a £6 charge, despite no invoices being shared in the bundle. Additionally, this is nearly double what the RTM opposite our block charged during this financial year.</p>		
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				<p>Site mileage: £178. Invoices shared only total £164.20. This amount is challenged as Appendix III within the contract was not followed, there is no evidence of these visits occurring or indeed the purpose or outcome.</p> <p>Companies House filing fee: £16</p> <p>No evidence provided of out of hours / out of contract work, nor the nature of the legal advice provided.</p>		
professional fees	4,944	756	4,188	<p>Auditing: The bundle only appears to include invoices from Whittingham Riddell Accountant, totalling £690 (see pages 577 and 579), not £870. We are challenging these two invoices as they appear to be for the same time period. No evidence was provided demonstrating extra work was required or indeed the difference in cost or work was conducted.</p> <p>Legal advice, £114.00 is challenged as there is no evidence or proof of work and relates to Flat 12. This invoice appears to be a duplication in</p>	<p>Aggregate of accountancy fees £690 reasonable. Legal costs for applicants disallowed as not sufficiently evidenced as falling within the lease. Accept A's case and apply Rule 9(8)</p> <p>In addition, if the conditional dispensation under s 20ZA is becomes unconditional the assessed amount of the management fee to cover the "Section 20 works" noted</p>	756 ^{1 2}

¹ In addition, a further £364.50 is payable if the conditional dispensation given under section 20ZA become unconditional.

² Alternatively if dispensation conditions are not satisfied, further professional fees at 4.5% of £3,000 are payable, £135.

				<p>the financial statement under administration. If not, the invoice for this is missing from the Respondent's bundle.</p> <p>Debit/credit surcharges: £178. This is challenged as in 2017/18 leaseholders were charged £4.32 in BACs fees; financial statement for 2018/19 was £6 (despite no invoices shared) and they were repeatedly asked by leaseholders to use BACs but failed to do so.</p> <p>[withdrawn during hearing]</p> <p>No evidence provided of legal work performed.</p>	<p>below is £364.50. See main decision.</p>	
<p>section 20 works</p>	<p>35,664</p>	<p>3,000</p>	<p>32,664</p>	<p>Under separate representation to the Tribunal, the Respondent's solicitor has applied for a dispensation to dispense with the consultation process required in these circumstances. In doing so, they have accepted that the consultation process was flawed. Whilst they have indicated that leaseholders have not been prejudiced by this failure of process, this is refuted in the strongest of terms and a submission has already been lodged giving full reasons and explanation. The Respondent has failed to respond to</p>	<p>Recovery limited to £3000 (£250 per flat) unless and until dispensation under s 20ZA is granted. If granted the amount of £8,484.75 is reasonable and payable. See main decision.</p>	<p>£3000 unless dispensation granted.</p>

				those comments and the time limit for them doing so has passed. It follows that the reasons provided opposing the dispensation are therefore uncontested and, on that basis, I understand the full cost of the works is limited to £250 per leaseholder.		
	50,049	5,960	44,089			6891.6

DISPUTED SERVICE CHARGES S/C YEAR ENDED 2020-2021

Case Reference: CHI/29UG/LSC/2023/0137	Premises: Southfields House, Gravesend
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ITEM	Actual Charge £	Reasonable Charge £	Difference £	Explanation	LEAVE BLANK (FOR THE TRIBUNAL)	TRIBUNAL FINDINGS /£
insurance	3,185 in financial statement; £414.38 in ledger	537.38	2,945.62	Will pay £414.38 and £123.	The accounts are in draft only. The Tribunals finds	1,017.38

			<p>Insurance: £4,143, £3185 minus the £1644 to leaseholders. However, invoices shared for tribunal only total £603.20. Even this total is challenged due to the points outlined below.</p> <p>Financial statement suggests that buildings insurance was £4143 but the ledger appears to show that only one payment of £414.38 was paid for buildings insurance (30 October 2020) meaning that eleven payments were potentially not made. This suggests that not only that the property may not have been insured for the full year but also that leaseholders have been charged 11 x £414.38 in error (see pages 365 – 368 in Bundle 1).</p> <p>Ledger records that Invoice total and amount paid</p>	<p>insufficient evidence that insurance payments exceeding £537 were made, but also allows £480 for insurance valuation. Total £1017.38.</p>	
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			<p>£1243.13 for Property Owners Liability Insurance but no invoices or contract has been shared (see page 367 in bundle). This figure appears to contradict the financial statement total of £123.</p> <p>No copy of the original account from the Insurance Company/Broker for the building's or property owners liability insurance cover for Southfields House.</p> <p>The insurance for buildings costs are in excess of 400% higher than Hyde-Housing's costs for similar cover. No evidence of tendering process. The RTM had at least one calendar month to arrange the buildings insurance cover, between the date of receipt of notification from Hyde-Housing and date for the commencement of the building's insurance cover. This provided adequate</p>		
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				<p>time to obtain a number of quotations, including from the company providing the insurance cover at that time for Hyde-Housing.</p> <p>Bundle 1, page 685 – concern that the leaseholders were not covered for seven weeks and two days and leaseholders were not made aware of this. However, ledger suggests this concern may be worse – 11 months of no cover. Concern if missing invoices include fees for not being paid on time and the implications on leaseholders if an incident occurred. This observation has raised queries over the recent gas leak and leaseholders not being covered.</p> <p>Page 542 in Bundle 1 suggests late payment has happened previously. Therefore, suggesting this is why leaseholders pay significantly more for insurance.</p>		
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				<p>Page 724, buildings insurance in Bundle 1 was written in October, received in November but paid in January. Paperwork is incomplete so challenging to confirm if paid on time.</p> <p>Ledger suggests they did not budget for insurance valuation but paid £480 for it and the financial statement also suggests this £480 was paid. However, no evidence of this invoice or contract has been shared.</p> <p>Financial statement suggests they paid £123 for property owners liability insurance and £83 for public liability insurance. However, the ledger disputes these payments and invoices, despite budgeting £176 for all risks, directors' and officers' insurance.</p>		
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				Challenging the insurance for a valuation fee and directors liability or public liability as the invoices and financial statement for the following year does not appear to include this, suggesting it was an unnecessary expenditure.		
utilities	1,146	573	573	<p>50%</p> <p>Challenging if any late payment fees etc for invoices paid late. Also challenging accuracy of payment stamps by Blocsphere.</p> <p>Invoices shared are not the same total as the financial statement or the ledger. Invoices shared are more. NO explanation is provided. Concerns over payment as page 759 is a late payment reminder for electricity.</p> <p>Water invoice of £36.50 is agreed but concern regarding payment as this appears to be a reminder.</p>	Accept applicants' case. Electricity apportionment as per previous years. Water invoice not disputed.	573

Repairs and maintenance	3,414 in financial statement,£3257.60 in paid ledger, £4129.60 in shared invoices	675.30	2,738.70	<p>There appears to be a disconnect between the financial statement (£3414), ledger invoices (£3413.60), ledger paid amount (£3257.60) and invoices shared (£4129.60, will be potentially higher as some invoices are incomplete with missing totals and/or are some appear to be missing). No explanation for disparity.</p> <p>Invoices shared appear to be more than the total in the financial statement and invoice total in ledger. Invoices raised are challenged:</p> <p>£535 to the painting contractor to fit two lights (page 764). Challenge his qualifications as he does not appear to be online and also the price as the invoice raised on page 744 in bundle 1 only charged £66 for a similar task.</p> <p>The fire protection contract, £2022 recorded in the accounts on page 39 appear to be missing from the bundle shared for</p>	Accept applicants' case. Rule 9(8) applied.	675.30
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				<p>Tribunal. Also no explanation why the ledger invoice is recorded as £2376.60 and ledger claims £2220.60 was paid for this missing fire protection contract.</p> <p>There is no evidence for the Health & safety fire risk assessment (£402, page 745 in Bundle 1) being requested, completed or paid.</p> <p>There is no evidence that the Fire Security 3x monthly inspections, (£198 per inspection, pages 662, 720, 721 in Bundle 1) was requested, completed or paid. The payment stamps on pages 720 and 721 were also challenged.</p> <p>There is no evidence that the Fire & Security – emergency lighting work, £66, page 744 in Bundle 1 was requested, completed and paid.</p> <p>Fire & Security Bi-Annual service, £156.60, page 663.</p>		
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				<p>Again, no evidence of work requested or completed. Also challenging payment times to invoice on page before.</p> <p>Doves Contract Cleaning – emergency lighting, page 731 in Bundle 1 does not appear to have a total yet was supposedly paid on 25/02/21. Page 755 (Bundle 1) shows Doves Contract Cleaning sending an invoice for an individual month yet page 731 shows an invoice for months April to November. There appear to be missing invoices from Doves for December, January and March, questioning if they need to be done monthly and if so, are leaseholders not safe if not conducted monthly.</p> <p>Xtra Maintenance, £972, page 712-713 in Bundle 1 to clear broken glass which the individual leaseholder paid a different company to clear at a significantly lower cost. No evidence how this invoice was</p>		
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				<p>paid. <i>NB Ledger shared several years ago suggests this was levied onto leaseholders but does not appear to be recorded within the financial statement.</i></p> <p>No evidence of fire protection contract. All others expenses allowed in full</p>		
Cleaning	2,563	600	1,963	<p>Disparity between financial statement (£2363), ledger invoices (£1349.50), ledger payment (£1089.63) and invoices shared (£1923.63 excluding duplicated dates, £2183.58 including duplicated dates). No explanation provided.</p> <p>Evidence not provided – duplicated invoices, errors in raised invoices (charged twice), inconsistencies in frequency of cleaning, RTM did not acknowledge all errors in raised invoices, no proof work was conducted or to quality control despite being requested and challenged by leaseholders, the hourly rate also changes and is not challenged or noticed,</p>	Accept applicants' case. Rule 9(8) applied.	600

				<p>errors were incorrectly corrected, still costing the leaseholders more than what it should have been.</p> <p>Suggest as</p> <p>Suggest £600 or less as during COVID and some months no cleaning occurred due to lockdown and invoices shared do not suggest more cleaning occurred due to the pandemic. No correspondence was shared to confirm this. 37 invoices are raised, £17.33 an hour but max 1 hr a session, never 3 was completed. No evidence even this was completed.</p> <p>Evidence in Bundle 2. Also challenge RTM's professionalism as one month the Directors paid cleaner directly and Blocsphere refunded the Directors.</p>		
Postage and stationery	76	76	0	<p>Accountant records £76 but applicant calculates £154.53. No explanation shared. Agree to £76 despite no clarification on differences. Queries raised</p>	Not disputed.	76

				regarding the need for postage x11 only when 12 apartments – which flat was missing from this this mailshot, and why?		
Admin costs	270	150	120	<p>Ledger invoice records £194.03 for administration costs; Ledger paid records -£151.97; Financial statement records</p> <p>Invoices shared appear higher than this amount, not clear what is included from financial statement.</p> <p>Postage: Financial statement records £76 but applicant calculates £154.53. No explanation shared. Agree to £76 despite no clarification on differences. £76 is also higher than the block identical to ours, opposite our block. Queries regarding the need for postage x11 sent when there are 12 apartments so which flat was missing from this mailshot?</p>	Accept applicants' case. Rule 9(8) applied.	150

				<p>No evidence on who completed the Tenant Compliance administration task, £288, page 661 in Bundle 1. There is no reference to this in the contract or evidence of this request between the Director and Blocsphere. No evidence of what work is involved to come this total to confirm Appendix III (hourly rate) was followed.</p> <p>Debit and surcharges £167.55 is excessive when comparing £6 in 2018/19 and the amount charged by the RTM in the block opposite ours.</p>		
Professional fees	4,500 in financial statement, £4830 in shared invoices, £2070 in ledger	4380	120	<p>Financial statement suggests £4500, ledger suggests £2070, invoices shared suggests £4830. See below for disparities in ledger.</p> <p>The financial statements record £3960 for the managing agent fees. However, the ledger appears to suggest it is incomplete. For instance, the ledger budget is £3960 for managing agent fees but the</p>	Accept applicants' case. Rule 9(8) applied.	4,380

			<p>ledger only invoices £1320 and supposedly pays £990, despite all invoices being shared within Bundle 1. Therefore, there appears to be another disparity between the ledger, invoices shared and the financial statements.</p> <p>Accountancy fees (£870) are challenged. Invoices shared and financial statement shows £870 but ledger suggests £750 was paid and invoiced. Further, the invoices (pages 678 and 679 in Bundle 1) are for two very different amounts and for the exact same time period. Challenge the payment dates. No evidence for when the accountant was asked to complete this work, what was completed and if paid. Something similar appeared to occur last year (see pages 577 and 579 but the amounts were less - £120 and only £570). Also challenging why some of this</p>		
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				year's work was £180 more expensive when the other work remained the same price.		
	15,298	6,671.68	8,626.32			7,471.68

DISPUTED SERVICE CHARGES S/C YEAR ENDED 2021-2022

Case Reference: CHI/29UG/LSC/2023/0137	Premises: Southfields House, Gravesend
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ITEM	Actual Charge £	Reasonable Charge £	Difference £	Explanation	LEAVE BLANK (FOR THE TRIBUNAL)	TRIBUNAL FINDINGS /£
cleaning	2,664	600	2,064	<p>Ledger budget: £1248; Ledger invoice total: £2664.17; Ledger paid amount: £2697.12. Invoices shared are significantly less than paid amount. No explanation for differences.</p> <p>Discrepancies in frequency of cleaning (e.g. 9 hours of cleaning in one week with no evidence this was requested), duplications of invoices, errors in raised invoices, change in hourly rate not acknowledged. Also, a disconnect between ledger and invoices, no clarification given.</p> <p>Suggest £600 as charged one financial statement and what it would be if done monthly. Invoices shared show only done once or twice in some months. No justification for 3 hours a week for a small block.</p>	Accept applicants' case. Rule 9(8) applied.	600

				Applied budget – no support to justify charges		
electricity	1,552	776	776	Budget: £500; Shared invoices, Ledger invoice and paid total: £1552 50% recharge not adjusted for Inconsistency in payment of invoices.	Accept applicants' case. Rule 9(8) applied. Reflects 50% apportionment previously found.	776
general admin	£234 in financial statement; £238.29 paid in ledger	78	156	Budgeted amount: £1100; Ledger invoice total: £234.29; Shared invoice total: £215.46; Ledger paid: £238.29. No explanation on discrepancies. Postage and franking costs: £95.56. Challenged as a small block, query over legitimacy of invoices (e.g. 24, 8, 4, 2, 13 or 10 letters were sent out instead of 12, see Bundle 2 for more information). Suggest £72 is paid. <i>Debit and credit card surcharge:</i> £119.90. Challenging this amount and why BACS was not used to help reduce costs, especially when requested by leaseholders in the past. Suggest £6 as charged in a previous financial statement.	Accept applicants' case. Rule 9(8) applied.	78
insurances	5,083 in financial	2,105	2,978	Buildings Insurance budget: £3600; Ledger invoice and ledger paid	The Tribunal finds that the actual cost was shown on	5,229.55

	statement but £5541.03 in paid ledger		<p>amount is £5541.03; invoice charged total: £10,443.29. No explanation for discrepancies.</p> <p>Insurance even higher than previous year, despite repeatedly challenging it and it not including a valuation fee, directors liability or public liability. There's a disparity between the total of insurance in the total recorded by the accountant and the invoices shared. Please clarify. Invoices shared are Close Brothers Insurance, £5491.03 (page 780, Bundle 1) and Reich Group, £4952.26 (page 784, Bundle 1). Unclear when either or both were paid. No explanation why two policies were needed. No explanation why two invoices were shared within the Tribunal papers if they were both not paid. Contracts not shared.</p> <p>Budget on ledger has £200 for property owner's liability insurance but did not appear to spend. Also budgeted ££176 for all risks,</p>	<p>the Close Brothers Premium Finance document at [1293-3]. This referenced a cost of £4952.26 plus terrorism cover of £277.29. That total is £5,229.55 which the Tribunal finds reasonable for 12 flats. However, the interest cost of £261.48 is disallowed as the landlord is not entitled to charge loan interest under the service charge provisions of the lease.</p>	
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				<p>directors & officers' insurance but did not take out.</p> <p>The block opposite our block's insurance for this year was £2105 for insurance valuation and £350 for Directors' and officers' insurance. Therefore, £2105 is suggested as the RTM did not appear to take out Directors' insurance this year.</p>		
<p>legal and professional</p>	<p>£7,977 in financial statement</p>	<p>4,437</p>	<p>3,540</p>	<p>Total in financial statement: £7977; invoices in ledger: £8730 (£3540 for legal and professional fees, £3960 for Managing Agent fees, £870 for accountancy); Paid in ledger: £3960; shared invoices: £8745. No explanation in discrepancies.</p> <p>Excluding S21 fees removed</p> <p>There appears to be a discrepancy between the financial statement (page 48, Bundle 1) and the invoices shared for tribunal in Bundle 1:</p> <p>Accountancy: Invoices: £750 (page 848) but £1145 in financial statement and £870 in ledger invoice.</p>	<p>No invoices for legal fees provided so these are of an unknown nature and disallowed. Accept applicants' case. Rule 9(8) also applied.</p>	<p>4,437</p>

				<p>Management Agent fees £3960 is accurate.</p> <p>Legal fees: Missing in invoices but £3540 in financial statement and ledger. If this is linked to my S21 request, this should be disallowed as the RTM did not comply fully.</p>		
<p>health and safety, including emergency lighting</p>	<p>2,286</p>	<p>1,854</p>	<p>432</p>	<p>Missing invoices and discrepancy between raised invoices, financial statement and ledger.</p> <p>£2286 in financial statement and ledger invoice total; ledger paid £990; invoices shared are less than suggested total.</p> <p>No invoice or contract for the fire protection contract, costing £432 in the financial statement but ledger pays £588 despite the ledger acknowledging £432 was the raised invoice amount.</p> <p>Ledger invoices £1452 for emergency lighting and paid this amount, yet the financial statement records £1412. Further, it is unclear where the accountant got £1412,</p>	<p>Accept Applicants case. Rule 9(8) also applied.</p>	<p>1,854</p>

				<p>never mind the ledger discrepancy for the emergency lighting as the invoices disclosed, even if they included the suspected missing invoices from Doves for this financial year, it still does not marry up. No evidence Doves Cleaning, £108 a month was paid. Unsure if these checks happened monthly and if they are therefore necessary. No evidence that the work relating to the risk assessment by 4site Health & Safety (£402, page 849) in Bundle 1 was completed. This is alarming when challenging the gas leak which was not covered by insurance and my research shows pipes used should last over 100 years if properly maintained.</p>		
Repairs and maintenance	1,788	106	1682	<p>The invoices disclosed in the bundle for Tribunal only total £1626. Financial statement records £1788; ledger invoices and amount paid is £1428.</p> <p>Challenging the London testing and maintenance limited invoice (£360,</p>	<p>The invoices referenced total £2106. Each of the invoices appears reasonable. The works are all repairs within the lease. Therefore, accept the respondent's costs. £1788 allowed.</p>	1,788

				<p>page 821 in Bundle 1) as it refers to my flat, I was not consulted, did not provide my fob and the RTM have provided no evidence that the work was requested or completed.</p> <p>Challenging £420 (page 788, Bundle 1) to change 6 lights, especially when compared to the £66 charge for similar work (Page 744, Bundle 1). This is further challenged when looking at page 828 (Bundle 1) that this was potentially faulty 4 days after this work had been conducted. This is another example of the RTM not having processes in place to check work is conducted and the quality of the work, or indeed chasing contractors to complete work properly rather than adding more service charges onto leaseholders.</p> <p>Challenging £768 (page 845, Bundle 1) as no evidence is provided to request for them to gain access and install a new Rebo board and also the price.</p>		
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				Also challenging £78 (page 774) to fix the bin cupboard. Leaseholders do not recall this broken, no evidence of request and completed work is shared. The price is also challenged as I paid £40 to fix a cupboard door in my flat and that was from a company found online.		
utilities	78	78	0	Agreed		
	21,663	11,186	10,477			14,762.55

DISPUTED SERVICE CHARGES S/C YEAR ENDED 2022-2023

Case Reference: CHI/29UG/LSC/2023/0137	Premises: Southfields House, Gravesend
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ITEM	Actual Charge £	Reasonable Charge £	Difference £	Explanation	LEAVE BLANK (FOR THE TRIBUNAL)	TRIBUNAL FINDINGS /£
access control	360	0	360	Not budgeted, no invoices shared but ledger records £360 for invoice raised and paid.	This is a payment on account only as the accounts and year end certificates have not been provided. No invoices provided so accept applicants' cases. Rule 9(8) applied.	0
Professional fees	10,134.64	4,710	5,424.64	There is no explanation for the significant differences between the invoices shared (£10,298.50), the budget (£2750, page 50) or indeed the ledger (£10,134.64, pages 375 – 381). The low budget is confusing when the previous year's accounts (page 48) record that £7977 was spent on professional fees. <u>accountancy:</u>	This is a payment on account only as the accounts and year end certificates have not been provided. Accept applicants' cases. Rule 9(8) applied.	4,710

				<p>There appears to be a disparity between the budget (£750), invoices shared (£2214), the ledger paid for accounting (£2214) and the sum of the invoices which the ledger claims (£1344). No explanation for this disparity and why more has been paid than invoiced. Bank statements are needed in full and unredacted to clarify this issue.</p> <p>WR Partners accountant, page 846 (£120) and 847 (£750). No explanation for the two invoices, especially when pages 945, 946 are also accountancy bills and for the same month. No explanation for the increase in price from the previous year. Section 20 does not appear to have been followed.</p> <p>Similar observations for Thorne Widgery Accountants, page 945 (£150) and 956 (£1194). Also, no clarity for the need to request for the 'preparation and</p>		
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			<p>submission for dormant company accounts' (page 945, Bundle 1).</p> <p><u>Managing Agent Fees: Invoices £8302.72 (£4080 monthly charge), £3660 for SAGE, £562.72); Budget: £2000; Ledger paid and record of invoices raised: £7920</u></p> <p>No explanation for the low budget, especially when in previous years it has been £3960 and this year they were increased in December. Invoice for March 2023 appears to be missing.</p> <p>Invoices for managing agent fees (£4080) appear to increase from December 22 (see pages 967, 977, 994 and assumed too for the missing March invoice. No paperwork shared to show that leaseholders and the RTM director was advised of this increase or indeed if the Director challenged it. No explanation why this increase was granted when the number of site visits</p>		
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			<p>and AGM meetings were decreased and the RTM were aware of the ongoing issues leaseholders were having.</p> <p>SAGE BBF, £3050, £3660 including VAT, page 881, Bundle 1. No clarification or justification is provided. S20 was not followed. No supporting invoice from SAGE or indeed a copy of the contract and proof of such goods / services was provided. Blocsphere also added VAT when raising this invoice.</p> <p>Challenge the site visit and mileage costs as there is no evidence or justification of/ for visits, frequency of visits (two in a month), incomplete invoices or that Appendix III was followed. Queries also over delay in raising and paying invoices in different tax years and a suspect of separate invoices for the same site visit and mileage. See Bundle 2 for detail.</p>		
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			<p>Also challenge Blocsphere charging £247.20, page 1005 to inspect communal doors in a small,12 apartment block with hardly any communal doors.</p> <p><u>Legal fees: Budget £0; Invoices shared: £344.50; Ledger paid: £954.73; Ledger raised invoices: £836.10.</u></p> <p>No explanation why more was paid than invoiced or why they did not budget for legal fees when they were aware several leaseholders were threatening to take them to Tribunal. Invoices raised by Blocsphere are also challenged due to providing no evidence of work conducted, no explanation for the necessity and requirements of work. For e.g., £28.50, page 980 to conduct legal work for ‘confirmation statement’; £114 (page 990) to check the lease to ensure the RTM Director can have a dog (which he has owned for years and still has); a further £114</p>		
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				<p>(page 996) for Blocsphere to conduct legal work for breach of lease regarding dog in RTM director's flat; another £114 (page 988) to check the lease regarding rubbish and for sending a letter to leaseholders. No evidence was provided that this work was even requested or conducted. Blocsphere's invoice (£268.68, page 940) is also requested to be wiped as it is for leaseholders being charged for what SLC Solicitors deemed to be 'unrecoverable' administration fees regarding Flat 10.</p> <p>The block opposite ours (same size and 12 apartments) is charged £4485.</p>		
admin costs	770.59	86	684.59	<p>Ledger claimed invoices: £680.59; ledger paid: £ 770.50; Invoices shared: £232.14. It appears there is an error in the ledger as some</p>	<p>Allow £94 as a payment on account reflecting the disclosed invoices.</p>	94

			<p>management agent fees are recorded as administration costs.</p> <p><i>Postage and Stationery:</i> At least £93.93 (but appears not all invoices have been shared as there is no franking invoice for the invoice regarding the legal work billed on page 988, charging leaseholders £114). No explanation for discrepancies observed.</p> <p>Challenge this amount as unnecessary postage occurred (see page 870, Bundle 1), the invoices raised appear inaccurate as refer to only 4, 10 or 11 apartments being sent post when there are 12 (see Bundle 2). It appears unreasonable why not all post was second class. It is also unfair for all leaseholders to be billed for one leaseholder's breach of lease and for the RTM director to receive a letter advising him he's not allowed a dog which he continues to own.</p>		
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				<p>Request to pay £82 as that is what the block opposite us charged this year.</p> <p><u>Debit and credit surcharge:</u> Challenge £138.21 (see Bundle 2).</p> <p>Request to pay £82, the same as the block similar to ours.</p> <p>Challenging the mileage and site visits as no evidence and appears Appendix III was not followed.</p>		
bank charges	4.63	0	4.63	Ledger invoiced: £4.63; Ledger paid: £4.64; Invoices shared: £0.	Allow £4.63 as payment on account.	4.63
bank interest	-6.67	0	-6.67		No dispute	
Blocsphere Admin charge transfer	630	0	630	Transfer SAGE account fees – no explanation, budget or invoice.	Accept applicants' case in applying Rule 9(8). However, this is in relation to payments on account only.	0
building insurance	6195.14 (budget in financial statement)	0	6,195.14	Budget on page 50: £6195.14; Budget on ledger: £4952; Ledger invoice total: blank; Ledger paid amount: blank; Ledger recording for paid for building £0, Invoices shared: £299.57 for terrorism	The insurance cost equates to £516 per flat and is reasonable. This is payable as sum on account.	6,195.14

				<p>insurance, not buildings (page 876, possibly duplicated page 972, Bundle 1).</p> <p>Concern we have no insurance and has possibly led to four leaseholders having to pay for their gas leak, not in their apartment but within the fabric of the building and being chased by Blocsphere to pay £670 each invoice for a company to make a ridiculously high quote to fix the leak and were not instructed to complete the work.</p>		
communal cleaning	3,102.89	300	2,602.89	<p>Invoice total inconclusive due to challenging and confusing invoices; budget states £1349.58, Ledger invoices: £2875.89 but ledger paid: £3102.89. No explanation for discrepancies.</p> <p>No explanation for significantly under budgeting when compared to costs previous years, suggesting bill is too high. No information regarding query of possibly duplications in ledger, suggesting paying more than raised invoices. No explanation</p>	<p>Allow £600 as an amount on account in view of findings for previous years.</p>	600

				<p>regarding cleaner reducing hourly rate from £17.33 to £17.25 and is still more expensive than previous cleaning company used from Surrey. No evidence of tendering, checking work is completed or quality control, or explanation to queries raised about individual invoices and cleaner requesting and receiving prompt payment. Cleaning is sporadic and not consistent. Cleaning also stopped due to not enough money. Therefore, suggest £500.</p>		
electricity	770.68	202.57	568.11	<p>Bills shared only total £ £405.14. This total should be halved.</p> <p>Applying agreed recharge deduction</p>	Accept applicants' case in applying Rule 9(8). However, this is in relation to payments on account only.	202.57
emergency lighting (£1523.64) and electrical maintenance (£216)	1,739.64	588.84	1,150.80	<p>Based on invoices shared, total is £1177.68 (excluding street lighting maintenance). However, total is likely to be more as it appears some invoices are missing. Budget: £535; Invoice and paid total on Ledger: £1739.64. No explanation for discrepancies.</p>	Accept applicants' case in applying Rule 9(8). However, this is in relation to payments on account only.	588.84

				Concerns that work has been duplicated, therefore, additional and unnecessary costs. No evidence work was conducted, requested or required. See Bundle 2 for more detail.		
repairs and maintenance	2,078	40	1,678	<p>Invoices shared: £1584.30; Budget (page 50) and ledger: £100; Ledger invoice total and paid: £2078 (1,590 for external; 488 for general). No explanation for discrepancies.</p> <p>Challenge raised on invoices shared as no evidence work was requested, conducted or needed. Queries regarding possible duplication of work or paying Blocsphere to request someone to complete work has not been answered. Price is also challenged. See Bundle 2.</p>	Allow £100 as an estimate on account only, per the budget estimate [563].	100
fire risk assessment	516	258	258	Invoice is shared for correct total (page 1008). No proof risk assessment was completed. Needed regarding gas leak. Still not provided. No explanation for difference in price and £700	Allow £516 as an estimate on account only.	516

				budgeted and increase from previous year.		
fire safety compliance admin	108	0	108	No invoice or evidence shared.	Allow £100 as an estimate on account only.	108
grounds maintenance	346.32	0	346.32	Budget: £0; invoices shared: £0. Ledger invoice and paid: £346.32. No evidence of work requested, completed or invoiced.	Not referenced in the budget estimate. Therefore, accept applicants' case as an on account payment only	0
health and safety risk report assessment	106.26	0	106.26	Budget: £0; Invoice shared: £0; Ledger invoice and paid: £106.26. Invoice and report not shared. Concern regarding gas leak.	Allow £100 as an on account estimate only.	100
liability insurance	0	0	0	Budgeted for £1234.14 but didn't pay. No explanation.	No dispute.	
reserve funds	0	0	0		No dispute.	
street lighting	84.36	42.18	42.18	Budget: £0. Invoice shared but should invoice not be halved as communal area, same as was agreed regarding the electricity bill?	Allow £42 as an estimate on account only.	42
terrorism cover	299.57	150	149.57	Not budgeted for but invoiced and paid on ledger. Concern this was paid but buildings insurance wasn't. No contract shared and no evidence it was tendered.	Allow £300 as an estimate on account only.	300

water bills - supply	74.20	37.64	36.56	Invoice shared only totals £37.64 (page 973, Bundle 1)	Accept applicants' case in applying Rule 9(8). However, this is in relation to payments on account only.	74.20
windows and doors	180	0	180	No invoices shared or proof of work.	Allow £100 as an estimate on account only.	100
	27,494.25	6,415.23	21,079.02			13,735.38