ANNEX

Case Reference: CAM/00KA/LSC/2025/0636/0699	Property: Ceira Court, 40 South Road, Luton LU1 3UD

ITEM	SUM ALLOWED	REASONS
1 January 2023 – 31 December 2023		
Insurance premium + broker fee June 2023/2024	£314.41	£2,125.19 is claimed for insurance costs covering an insurance period 1 June 2023 to 31 May 2024. We were not provided with an invoice, only the policy certificate. The Applicants submitted that they did not accept the accountants certification. However, there was no basis to believe that it was fraudulent and the policy certificate evidenced that cover was taken out. We consider the premium to be reasonable having regard to the size of the Property and it is consistent with previous years premiums. The costs claimed should be apportioned so sums pre-dating the Respondent's ownership should be disallowed. 08.11.23-31.12.23 (54 days). We allow £314.41.
Common parts Electricity	£0.00	This was not disputed as no sum was demanded.
Common parts Cleaning	£162.00	£493.49 is claimed for cleaning of the common parts. The invoice on bundle page 119 is dated 30.06.23 so predates ownership. The sum of £331.49 is disallowed. We consider November and December cleaning to be reasonably incurred. We consider the cleaning cost per visit to be reasonable, being £45 plus VAT per visit with two visits per month for common parts serving 12 units. We allow £162.
Maintenance of Communal Gardens	£312.00	This was not disputed.
Window Cleaning	£264.00	£264 is claimed for window cleaning.

		We consider that reference to 'condition' in Schedule 1 of the leases includes cleanliness. The Applicants accepted this at the hearing. External window cleaning is therefore a recoverable cost under the service charge. Internal window cleaning falls within each demise under clauses 3.3 and 3.5 of the leases. The charges are £110 plus VAT per visit. We consider two visits at this price reasonable for the size of building. We allow £264.
Fire Health & Safety testing, Services and Repairs	£0.00	This was not disputed as no sum was demanded.
Gutter Cleaning & downpipe inspection	£384.00	This was not disputed.
Pest Control	£170.00	This was not disputed.
Door Lock replacement and repair	£0.00	£675 is claimed for a door lock replacement. The invoice on bundle page 139 to 142 dated 17.10.23 refers to 'lock busted' and follows a previous repair on 15.10.23. It appears to be the same door, for example the mat in the photographs is the same. This suggests that there were two separate events but there was no clarity from the Respondent on this and two breaks in such close proximity is possible but unlikely. The cost claimed is also high for a call out and lock replacement, for example 5 hours labour. It appears there are multiple invoices for what appear the same work. There is enough doubt in subsequent work. We therefore allow the invoice on 15.10.23 for £354 as below but disallow subsequent invoices as we were not satisfied that these were reasonably incurred. We disallow £675.
Front Door Forced open	£354.00	As above, we have some concerns over the various invoices for door repairs which seem to be duplicative. We allow £354.
Inspection of Property due to Antisocial Behaviour	£0.00	As above, we have some concerns over the various invoices for door repairs which seem to be duplicative. There is insufficient to detail to establish what work was actually carried out and why it was necessary so we are not satisfied this cost was reasonably incurred. We also have concerns over the sum claimed as it appears from other service charge items that the contractors were on site on the day claimed in any event. We disallow £360.
Various Works	£450.00	£900 is claimed for various items including installing dummy security cameras.

		Schedule 1 of the leases covers safety and amenity, so we consider this in principle to be a service charge item and not an improvement. One cannot expect every invoice to have granular detail. However, times spent are not stated and the cost seems high for the work listed. There is no supporting evidence for some work, such as waste disposal certificates. We allow £375 plus VAT = £450.
Hinges repair, Door installation	£720.00	£720 is claimed for door hinge replacement. We do not consider the sum claimed to be excessive and there is photographic evidence of the hinge being taken off. The Applicants contended that 2 hours labour was reasonable and the 5 hours claimed excessive. We do not consider the overall cost unreasonable as this type of work does take time to disassemble and properly fit parts. We allow £720.
Security Door installation	£0.00	As above, we have some concerns over the various invoices for door repairs which seem to be duplicative. In respect of this item, we noted that the photographs of the doors did not appear to show new handles, calling into question whether previous work for replacement had been carried out as claimed. There was no specification, breakdown or invoice for the door itself. We disallow £900.
Expenditure by previous agents as per schedule	£7,119.94	£7,569.94 is claimed for expenditure by the previous agents and we were shown a breakdown on bundle page 164. The Applicants were only challenging the management fee for the previous agent on 29.09.23 of £450. It was not clear whether this was an advance management fee as they appeared to charge in six monthly intervals in February and September. The Applicants contended that it may be a transfer or handover fee. It may also be conveyancing costs associated with obtaining a management pack. The position is not clear. However, this predates ownership by the Respondent. We therefore disallow £450 but allow the remaining sum of £7,119.94.
Accountants fee	£480.00	£480 is claimed for accountancy fees. The Applicants contended that there were accountants had not carried out due diligence on figures provided by the Respondent and had effectively ‘rubber stamped’ what was given to them. We clarified that the complaint was not calculation errors in the sense of arithmetical ones.

		This was not an audit and we would not expect a detailed interrogation of primary records for the price paid. It is purely conjecture that they had not done any due diligence. The sum claimed is reasonable for end of year accounts. We allow £480.
Management fee December 2022/2023	£276.95	£1,872 is claimed by the Respondent's managing agents for their time managing the Property in this Financial Year. The Respondent can only properly charge for the period the Respondent owned the Property. 08.11.23-31.12.23 (54 days). There was insufficient evidence of the agents not performing duties at all or inadequately. There were no specific allegations or witness evidence supporting any such allegation. The annualised fee of £1,872 is £72 more than the previous agents charged in the previous Financial Year. The Applicant's contended for £200 per month which we consider much higher than this and not reasonable. We allow £1,872 per annum pro-rated leaving £276.95 for the remainder of the 2023 Financial Year.
Total	**£11,007.30**	

1 January 2024 – 1 December 2024		
Insurance premium + broker fee June 2024/2025	£1,594.17	£2,195.75 is claimed for insurance costs covering an insurance period 1 June 2024 to 31 May 2025. We were not provided with an invoice, only the policy certificate. The Applicants submitted that they did not accept the accountants certification. However, there was no basis to believe that it was fraudulent and the policy certificate evidenced that cover was taken out. We consider the premium to be reasonable having regard to the size of the Property and it is consistent with previous years premiums. The costs claimed should be apportioned so sums post-dating the RTM decision should be disallowed. 01.01.24-22.09.24 (265 days). We allow £1,594.17.
Common parts Cleaning	£972.00	£1,566 is claimed for cleaning of the common parts. We consider £45 plus VAT per visit with two visits month for common parts serving 12 units to be reasonable. The invoices for May and June on bundle pages 176 and 177 are double the usual price with no explanation. We disallow the extra amounts as they are not justified. The Applicants suggested in the hearing that cleaning was not carried out or carried out adequately. In the absence of witness evidence or photographs we did not accept that there were sufficient inadequacies to justify nonpayment. We allow £108 per month for the 9 months of ownership prior to the RTM decision = £972.
Maintenance of Communal Gardens	£1,404.00	£1,716 is claimed for maintenance of the communal gardens. There was insufficient evidence about the frequency or quality of work. The Applicants did not contend that nothing at all had been done. At its highest, they said there were still weeds in the ground and similar issues. There were photographs supporting invoices for 4 of the 12 months claimed. However, these were provided in black and white and it was difficult to identify any significant defect in the work. We were not prepared to assume that the absence of photographs for the other 8 months of the year justified a conclusion that no, or inadequate, work was carried out. The Applicants agreed that £156 per month is a reasonable cost and we concur.

		We allow £156 per month for the 9 months of ownership prior to the RTM decision = £1,404.
Window Cleaning	£396.00	£528 is claimed for window cleaning. We consider that reference to 'condition' in Schedule 1 of the leases includes cleanliness. The Applicants accepted this at the hearing. External window cleaning is therefore a recoverable cost under the service charge. Internal window cleaning falls within each demise under clauses 3.3 and 3.5 of the leases. The charges are £110 plus VAT per visit. We consider two visits at this price reasonable for the size of building. The Applicants contended that once a year was reasonable. We noted that the window cleaning had been carried out quarterly in previous years. This seems reasonable, once a year is not realistic as contended by the Applicants. We allow 3 cleans for the 9 months of ownership prior to the RTM decision at £110 plus VAT per clean. We allow £396.
Gutter Cleaning & downpipe inspection	£255.00	£768 is claimed for gutter cleaning and downpipe inspection. We noted that the historic pattern seemed to be once per year. The Applicants contended that such would be reasonable. We were concerned that the invoices shown at bundle pages 212 and 213 were high compared with previous years, for example £192 in 2021 on bundle page 600. We allow the sum of £192 uplifted by approximately 10% each year = £255.
Fire Health & Safety testing, Services and Repairs	£676.80	£819 is claimed for fire testing including intercoms. We consider it reasonable to test intercoms as part of fire safety to ensure people can exit the building. We allow flick testing for the 9 months of ownership prior to the RTM decision at £28.20 per occasion, together with the intercom call out at £288, new battery at £120 and a logbook at £15 inclusive. These were the only invoices disclosed for the 9 month period of ownership. We therefore allow a total of £676.80 as above.
Drains Service and Multiple Repairs plus	£2,920.80	£6,443.40 is claimed for various drain works across several invoices in a 3-4 month period.

CCRV & Tanker Engineer		There was no evidence of a section 20 consultation whereas the works incurred would suggest that such a requirement was triggered by the overall costs being more than £3,000/£250 per household. Accordingly, the costs would be capped at £3,000 in any event. We consider it reasonable to inspect on 14.01.24 per the invoice on bundle page 240. The report arising from that inspection identifies pipework in bad condition, manhole cover replacement needed and other works. The report on bundle page 243 recommended a full clean and other works. We would allow £114 for 2 inspections and £2,692.80 for the 13.03.24 invoice for clearance with tankers which comprised recommended works and the amounts reasonable. The contractors report suggests that they were on site between 9am to 4pm with tankers. We took account that previous visits were £408 per occasion however there was evidence of substantial works recommended by a report. There is insufficient evidence of why further visits were necessary after such a comprehensive clean of the drains and no breakdown of costs associated with them. Some of those visits post dated the RTM decision so would be disallowed in any event. We allow £2,920.80.
Fire Health & Safety Risk Assessment	£0.00	£472.20 is claimed for a fire health and safety risk assessment. We are not satisfied this cost was reasonably incurred. There was a report carried out in May 2023. There is no explanation for why a new report was needed only 7 months later. We disallow £472.20.
Application of grit to footpath during icy weather	£168.00	£168 is claimed for gritting works. We consider that this was reasonable to incur. It is not always a precise prediction, the Applicants stated that the weather did not drop below zero degrees on the day in question but there was independent evidence of this nor would it negate a reasonable estimation by the Respondent. The amount not excessive notwithstanding what appeared to be a limited area of footpath. It was not clear on the evidence of how far common parts extend however a call out fee and time spent on site would be expected and the sum claimed is not excessive even for a single footpath. We allow £168.

Visual Installation Condition Report	£597.60	£597.60 is claimed for a Visual Installation Condition Report. The 5 year intervals is a recommendation only. It is not unreasonable to carry out an interim inspection. We were not told the age of the system. It is not entirely irrelevant that some aspects of the system failed the inspection because this might suggest that more frequent inspections were appropriate. It appears from the invoices at bundle pages 483 and 487 that there were two visits for flats 1-6 and then flats 7-12 two months apart. We consider that this was reasonable cost, and the price seems reasonable. We allow £597.60.
Call out for failed lights & time delay switches	£513.96	£513.96 is claimed for a light and time delay switch call out. We consider it was reasonable to repair and in any event we have found that the VICR was reasonably incurred. A report does not always accompany an invoice so the absence of one does not negate the cost. The amounts are not excessive. We have considered any duplication but this is not apparent so the Applicant not discharged the burden of proving this. We allow £513.96.
Installation of gland on supply armoured cable	£1,121.04	£1,121.04 is claimed for various works as shown on bundle pages 495 to 499 including a new fuse board. We consider it was reasonable to repair and in any event, we have found that the VICR was reasonably incurred. A report does not always accompany an invoice so the absence of one does not negate the cost. The amounts are not excessive. We have considered any duplication, but this is not apparent so the Applicant not discharged the burden of proving this. We allow £1,121.04.
Supply & installation of new door handles and other door handle works	£0.00	£654 is claimed for new door handles. It is possible that there has been some vandalism, but we had no evidence of this. We have expressed concerns about door expenditure in 2023.

		We are not satisfied that this cost is not a duplication of 2023 services or in any event reasonably occurred or reasonably in amount. The photographs on pages 158-162 and 504 show the same wear markings suggesting one or other invoices were not justified. We disallow £654.
Remedial Electrical Works	£ 0.00	£798 is claimed for electrical remediation work. We have found that the VICR was reasonable so works reported would be potentially justifiable. However no report was available, and we cannot see any justification or indication as to what was done either on the invoice or from the Respondent. We disallow £798.
Individual fire door checks and fitting of smoke seals	£0.00	£1,500 is claimed for individual fire door checks and fitting of smoke seals. The invoice on bundle page 508 suggests only an inspection and not actual fitting or other works. We find that it would not be reasonable to expect the Respondent to rely on individual leaseholders for fire safety of their front doors. The Respondent is still responsible for the building. It is reasonable to inspect. The inspection does not appear to have been carried out over more than one day nor does it appear that any actual remedial work was carried out. There is no evidence that a specialist firm was used or of the qualifications of those who did inspect. The price seems excessive for one days work for inspection only. However, we are concerned that there is duplication of work with the invoice for £504 shown on bundle page 550. We have allowed that cost as one inspection was reasonable. We disallow £1,500.
Electrical cupboard fire remedial works	£0.00	£480 is claimed for electrical cupboard fire remedial works. The invoice shown at bundle page 512 and 513 does not indicate that any work actually carried out. The photographs of the cupboard do not assist this either. There is no report explaining whether the invoice covers inspection, remedial works or both. We disallow £480.
Communal area touch ups	£ 975.00	£975 is claimed for touch up painting work.

		We do not consider such a cost to be unreasonable. The photographs on bundle pages 515 to 518 are in black and white and do not assist however the invoice on bundle page 514 suggests work was carried out. We did not have full details of the communal area involved but were told this was at least the stairwell of two flights. The costs are not excessive. We allow £975.
Standard BNO Audit	£0.00	£3,204 is claimed for a standard audit by a company called BNO. There was no report so we cannot be sure why this audit was needed or what it found especially given the EICR carried out 18 months prior and the VICR a few months prior. We also had concerns but insufficient evidence as to BNO's qualifications. We were shown a previous Tribunal judgment from over a year ago casting doubt over their qualifications but this was of limited assistance given the passage of time. We disallow £3,204.
Various BNO Repair work	£1,200.00	£1,200 is claimed for repair works relating to the electrical installation. The invoice is itemised, and we consider it reasonable to undertake emergency repairs. As above, there is no evidence the contractors were not qualified. There was insufficient evidence that the lights on bundle pages 491, 493 and 494 were the same. We allow £1,200.
Installation of electrical safety mats	£600.00	£900 is claimed for electrical safety matts supply and fit. It was not clear from the photographs at bundle pages 524 to 528 however there appear to be 2 mats. We consider that the materials cost is not likely to be more than £150 together with labour at around the same. This would mean £300 per mat. There is no evidence of what additional labour would be required. We allow £600.
Improvement works to emergency lighting as per report	£0.00	£2,950 is claimed for improvement works to emergency lighting.

		We find that this is not substantiated and we have some concerns about duplication or in any event why lighting was replaced so quickly after a previous replacement. There appears to be some duplication with the burn marks on the light fitting shown in the photographs on bundle page 498 supporting once invoice being the same as on bundle page 531 supporting the invoice for this work on bundle page 529. There is lack of clarity over the extent of work, number of lights, labour hours and materials costs. We are not satisfied that this cost was reasonably incurred or reasonable in amount. We disallow £2,950.
Repair to burnt external cable	£0.00	£234 is claimed for a repair to a burnt external cable. We are not satisfied that this item was reasonably incurred. It remains unclear why a cable would be repaired if replacing the entire fitting. We disallow £234.
Various remedial works including replacing fused spur and maglock installation	£1,927.20	£1,927.20 is claimed for various works as described in the invoice shown at bundle page 537 to 538. The invoice demonstrates that work was carried out to replace a faulty maglock. If it was sensible to do an upgrade this is not always an improvement. It was reasonable to incur these costs even if the Respondent knew that it may lose the right to manage in the near future. It must still discharge its duties until that time. The costs are not excessive. We allow £1,927.20.
Door Works as per Section 20 Notice	£0.00	£6,490 is claimed for door works under a section 20 notice. We were not provided with evidence of a section 20 consultation process. If it applied and was not carried out the cost would be limited to £3,000/£250 per household. We cannot establish the need for a new door at all. We cannot comment on the costs claimed without a specification labour charge, materials charge and similar details.

		We are not satisfied that this cost was reasonably incurred or is reasonable in amount. We disallow £6,490.
PAT Testing	£144.00	£144 is claimed for PAT testing. We reject the Applicants position that there was nothing to PAT test. The Applicants in the First Application did not dispute this item but those for the Second Application argued there was no relevant equipment. We noted that it was agreed that there was an aerial as referenced in the invoice and the fact it was not used by some or all leaseholders does not negate the need to test it. We allow £144.
Fire Door Inspection pre works	£504.00	£504 is claimed for fire door inspection. As we have noted above, it would be reasonable to inspect the doors had this not been carried out 9 months before in respect of the 12 individual flat doors as shown in the invoice at bundle page 508. There is duplication therefore. We accept that it was reasonable to inspect all 21 doors but only one inspection was required. The second invoice is clearer as to what was inspected. We have therefore rejected the invoice at bundle page 508 as above and accept that the invoice at bundle page 550 was reasonably incurred and is reasonable in amount. We allow £504.
BNO improvement works as per report	£500.00	£1,105.49 is claimed for improvement works arising from a report which we have not seen. As noted above, we have some concerns about whether the report was necessary. The works appear to have been carried out but the nature of the works does not justify the high sum claimed. We consider that 5 hours at £100 per hour would be reasonable. We allow £500.
Surveyor to prepare insurance reinstatement cost assessment	£0.00	£2,340 is claimed for an insurance reinstatement cost re-valuation. The invoice is dated after the RTM decision and there is no evidence the work was carried out earlier. We accept that a re-valuation would otherwise have been reasonable in principle but further information would be needed about the basis of the report, such as whether it was carried out in person or was desktop only.

		We disallow £2,340.
Surveyor to prepare pre planned maintenance schedule	£0.00	£1,980 is claimed for a surveyor preparing a planned maintenance schedule. The invoice is dated after the RTM decision and there is no evidence the work was carried out earlier. We would otherwise have allowed this cost as reasonable to carry out and reasonable in amount based on average surveyor rates for a day (equating to about £200 per hour for a days work). We disallow £1,980.
Accountants fee	£500.00	£600 is claimed for accountancy fees. The Applicants raised the same arguments as for 2023 that the work did not appear to include due diligence. We find that the accountants would not be expected to conduct an audit or interrogate primary records for this exercise. The cost has increased by 25% on the previous year with no obvious difference to the work involved. We consider £500 reasonable for this work allowing for an inflationary increase on the previous year. We allow £500.
Management fee December 2023/2024	£1,452.00	£3,787.20 is claimed by the Respondent's managing agents for their time managing the Property in this Financial Year. The Respondent can only properly charge for the period the Respondent owned the Property up until the RTM decision. 01.01.24-22.09.24 (265 days). There was insufficient evidence of the agents not performing duties at all or inadequately. There were no specific allegations or witness evidence supporting any such allegation. The fee claimed is over twice the fee claimed in the previous Financial Year. The Applicant's contended for £200 per month which we consider not reasonable. We allow for an inflationary increase on the annualised sum of £1,872 charged in the previous year, rounded to £2,000 per annum. For the period in question this would be £1,452. We allow £1,452.
Total	**£18,421.57**	

1 January 2025 – 31 December 2025		
All service charges for the Financial Year 01.01.25 to 31.12.25		These costs are disallowed in full due to the Respondent not being responsible for the management of the Property after 22 September 2024. None of the Applicants made direct challenges to individual service charge items however it was not necessary to consider them any further given our finding as above.