

ITEM	COST	TENANT'S COMMENTS	LANDLORD'S COMMENTS	LEAVE BLANK (FOR THE TRIBUNAL)
Gardening	£7,200	The Applicant's previous comments regarding the overall charge apply £7200 appears to be an arbitrary excessive increase, which is unjustified. Re-tender process noted but not provided	The allegations made are vague and unspecified. The Respondent has provided a breakdown and specification of the works carried out and maintains that such fees are reasonable	The Tribunal determines that the estimated costs are reasonable and payable
Fruit clearance	£500	Historically this has formed part of the gardening service and the Applicants' own quotes for gardening include fruit clearance and this should be charged for or budgeted for separately. This should form part of the gardening charge	A separate charge is levied for this service as it requires additional visits over and above the regular gardening service	The tribunal determines that the estimated charge is reasonable and payable. It accepts the Respondent's argument that this is an additional gardening service.
Audit and accountancy fees	£3,600	Such fees now apply just to the central estate services. A separate budget may be produced for the Garage Block but within this service the fees are considered to be excessive and a full breakdown of rates should be provided.	The Lease mandates an audit and the Respondent carries out an annual audit in accordance with its obligations under the Lease. The Applicants own witness evidence admits the	The Tribunal determines that the estimated charge is reasonable and payable.

		Contrary to the Respondent's assertions, this does not appear to be an audit	reasonableness of the sums sought.	
Administration	£15000	For the central estate services a continued administration fee at £15000 which was the fee for the entire estate is considered to be excessive and unsupported. Further, disclosure of actual costs being incurred is required. This fee should be substantially reduced in the light of the reduced management responsibilities.	The statement of Mr Grey sets out the breakdown in the administration fee levied and the work which is carried out in managing the property by the directors.	The Tribunal determines that the estimated administration costs should consist of 3% of the estimated service charges plus the estimated management fees
Drains project	£5000	In the accounts for the year end 31 March 2023 a drains project sum of c.£8405 was included. A budget for this sum immediately following that is not understood and is challenged as unreasonable.	The previous drainage project was for a CCTV survey to the rear of the property only. The budgeted sum is to carry out the same survey to the drains at the front of the property. The Applicants seeking to challenge the reasonableness without knowing what this sum relates to	The Tribunal determines that the estimated charge is reasonable and payable.

			demonstrates their unreasonable conduct in this application.	
Garden project	£2000	This sum has not been explained but needs to be reviewed in light of the increase in gardening costs of some £2,500 in any event. This should be disallowed subject to production of appropriate competitive quotes.	The additional costs relate to works intended to be carried out to remedy damage cause to the substantial numbers of box shrubs around the property following an invasion of box tree moths. This is an individual item of work and is not within the scope of the regular gardening specification.	The Tribunal determines that the estimated charge is reasonable and payable.

Estimated charges – Budget 2024 – 25

ITEM	COST	TENANT'S COMMENTS	LANDLORD'S COMMENTS	LEAVE BLANK (FOR THE TRIBUNAL)
Insurance	£800	The budgeted sum in the previous year was £500. Actual costs have not been	Costs of insurance have generally increased across the market and the budgeted sum	The Tribunal determines that the estimated charge is reasonable and payable.

		disclosed and £800 is considered to be excessive and an arbitrary increase.	reflects this	
Electricity	£1200	The budgeted sum in the previous year was £800. Invoices have not been disclosed and £1200 is considered to be excessive and an arbitrary increase.	Energy costs have generally increased across the market and the budgeted sum reflects this.	The Tribunal determines that the estimated charge is reasonable and payable.
Water	£1000	The budgeted sum in the previous year was £600. Actual costs have not been disclosed and £1000 is considered to be excessive and an arbitrary increase.	Energy costs have generally increased across the market and the budgeted sum reflects this.	The Tribunal determines that the estimated charge is reasonable and payable.
Drains and gulleys upkeep	£1000	The budgeted sum in the previous year was £650. Actual costs have not been disclosed and £1000 is considered to be excessive and an arbitrary increase. This increase is arbitrary and unsupported.	The person the Respondent historically instructed to deal with these issues is retiring so the increase is budgeted in anticipation of instructing an alternative company to deal with these	The Tribunal determines that the estimated charge is reasonable and payable.
Gardening	£8000	The budgeted sum in the previous year was £7200. Actual costs have not been disclosed and £8000 is considered to be excessive and an arbitrary increase.	The Respondent has been informed of an upcoming increase in the costs of gardening services (which was unchanged since 2019)	The Tribunal determines that the estimated charge is reasonable and payable.
Pest control and preventative maintenance.	£3000	The budteted sum in the previous year was £1000. A three-fold increase is not understood, has not been justified and is considered to be unreasonable. The	The budget of £3000 includes a general maintenance budget and not just pest control. The pest control also allows for any specific chargeable events should they occur (not just	The Tribunal determines that the estimated charge is reasonable and payable.

		Applicants have an equivalent quote of £149 plus VAT per quarter. The Applicants maintain this is excessive	routine)	
Expenses, office and IT	£1,770	An administration fee of £5000 appears to be charged. Any expenses of within that figure and should not be charged for separately. A previously budgeted sum for postage and stationary was £200 and this sum is considered to be unreasonably high. Given the exorbitant management charge, the Applicants do not accept that this is required.	The Respondent is entitled to charge for such sums pursuant to Para 7 of the Fourth Schedule of the Lease as expenses incurred in the running and management of the Estate	This estimated charge is not payable. It should be included in the 3% of service charge which the lease entitles the Respondent to.
Legal and professional fees	£5000	Accountancy fees are dealt with elsewhere. Legal fees appear to relate to the pursuit by Swanside of the RTM Company to collect its estate charges. That is not a legitimate expense and should be excluded from the budget. These do not appear to be legitimate.	The budget includes legal fees for dealing with this litigation as well as disputes with the RTM Company in relation to handover sums and the collection of Central Estate Funds by the RTM. This is within the scope of the expenses contemplated by the Lease	The Tribunal determines that the estimated charge is reasonable and payable.
Audit and accountancy fees	£3,600	Given the reduced sums to be audited and the reduced extent of the estate these costs are considered to be	The Lease mandates an audit and the Respondent carries out an annual audit in accordance	The Tribunal determines that the estimated charge is reasonable and payable.

		unreasonably high, in addition to the alleged legal and professional fees due.		
Administration freeholder	£5000	As stated above the Freeholder employs a Managing Agent Colin Bibra. Their charges have not been disclosed and must be disclosed in order for a reasonable sum to be arrived at and without that justification the sums should be rejected. HMS (the Applicant's Managing Agent for the two Bolks)indicate a fee of £1544.40 plus VAT for the entire estate equivalent to £239 plus VAT per flat which is considered to be within commercial rates. The sum remains excessive and unsupported	The witness statement of Mr Grey sets out the fees charged by Conin Bibra in managing the estate and the fees levied by the directors as remuneration. A sum of £4500 is a reasonable sum to demand in reserve for anticipate future expenses at the property	This estimated charge is not payable. It should be included in the 3% of service charge which the lease entitles the Respondent to.
Managing agent fees	£5000	As above. The sum is excessive and unjustified (see application)		
Reserve contribution	£4500	The budgeted sum in the previous year was £1500. The increased been explained and is objected to on the basis that it is unreasonable. No more than £1500 would be reasonable (see		This amount should be reduced to £1500 as no justification has been provided for the figure. This is necessary when the context should be reduced responsibilities

		application).		
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