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

Case Reference : LON/00BC/LSC/2014/0348

Property : 142 Memorial Heights, Newbury Park, Ilford IG2 7HS

Applicant : Newbury Central (East) Management Company Limited

Representative : Mr D Foulds - Solicitor

Respondent : Mr Zain Ul Abdeen Khan

Representative : None

Type of Application : Section 27A Landlord and Tenant Act 1985 – determination of service charges payable

Tribunal Members : Judge John Hewitt
Mr Ian Thompson FRICS
Mrs Lucy West

Date and venue of Hearing : Monday 10 November 2014
10 Alfred Place, London WC1E 7LR

Date of Decision : Monday 10 November 2014

DECISION

Decisions of the Tribunal

1. The Tribunal determines that:
 - 1.1 As at the date the court proceedings were commenced the sum of £1,519.44 was payable by the respondent to the applicant by way of arrears of service charges; and
 - 1.2 The file shall be returned to the County Court at Romford for the determination of the claims to the court fee of £95 and solicitor's costs of £80 and costs generally.
2. The reasons for our decisions are set out below.

NB Later reference in this Decision to a number in square brackets ([]) is a reference to the page number of the hearing file provided to us for use at the hearing.

Procedural background

3. On or about 15 November 2013 the applicant commenced court proceedings (Claim No. 3Y07417) against the respondent [1]. The applicant claimed the sum of £1,769.44 which was made up as to £1,519.44 arrears of service charges and as to £250 in respect of variable administration charges.
4. The said arrears of £1,519.44 were made up as to the balance of two on account payments demanded as follows:

15.03.2014	£974.73	[50]
09.07.2014	£974.73	[51]
5. A defence was filed by the respondent [8].
6. By order made by District Judge Goodchild sitting at the County Court at Romford on 30 June and drawn 2 July 2014 [10] the case was transferred to this tribunal.
7. A directions hearing was held. Mr Foulds represented the applicant and the respondent, Mr Khan, attended and represented himself. The issues were clarified and on 22 July 2014 directions were issued [11]. The hearing was set for 10 November 2014.
8. The applicant's comprehensive statement of case is dated 11 August 2014 [16]. The respondent has not filed a statement of case in answer.
9. By email dated 21 October 2014 the respondent made a late application for a postponement of the hearing scheduled for 10 November 2014. The application was opposed by the applicant and it was refused by the tribunal by letter dated 24 October 2014.

The hearing

10. The reference came on for hearing on 10 November 2014 as planned. The applicant was represented by Mr D Foulds, a solicitor and he was

accompanied by Mr D Moreira of Rynew Property Management, the managing agents. The respondent did not attend.

11. In accordance with rule 34 the tribunal heard the reference in the absence of the respondent because we were satisfied that the respondent had been notified of the hearing. (After the conclusion of the hearing the tribunal was informed that Mr Khan had telephoned and spoken with the case officer to explain why he was unable to attend.)
12. Mr Foulds opened the case for the applicant and took us through the relevant documents. Mr Foulds withdrew the claims to £250 in respect of variable administration charges, because, on reflection, he considered that the respondent was not obliged to pay them.
13. Mr Moreira gave evidence in accordance with his witness statement at [195] which he said was true. Mr Moreira explained that that applicant was a management company controlled by the lessees and that after a period of self-management, in March 2013, his firm had been appointed to act as managing agents. Having considered historic accounts a budget for 2013 was prepared, presented to the directors of the applicant and approved by them. We were satisfied on the evidence before us that the budget is a reasonable budget following an acceptable methodology.
14. In consequence of that budget the demands for the two on account payments were prepared and sent out.
15. The lease of the subject property is at [22]. We are satisfied that it obliges the tenant to make two equal half yearly payments on account of his liability to contribute to the costs of the services provided by the applicant.
16. We therefore find that the amounts of the two demands are reasonable in amount and are payable by the respondent to the applicant. As at the date of commencement of the proceedings the balance so payable was £1,519.44.
17. Of course we were only required to determine the reasonableness of the amounts payable on account. Once the final accounts for 2013 have been signed off and served on the respondent it will be open to him to take up with the applicant any points he wishes on the actual expenditure claimed to have been incurred, and if necessary bring his own section 27A application to determine any items in dispute.
18. We have referred the file back to the County Court for determination of the outstanding claims for court fees and costs because this tribunal does not have jurisdiction to determine them.

Judge John Hewitt
10 November 2014