12037

FIRST-TIER TRIBUNAL
PROPERTY CHAMBER
(RESIDENTIAL PROPERTY)

Case Reference	:	CHI/00HN/LIS/2016/0040
Property	:	19 St John's Road, Bournemouth, Dorset, BH5 1EQ
Applicant	:	Maxi Investments Limited
Representative	:	Mr Andrew Hargadon of Burns Property Management & Lettings Limited
Respondents	:	Mr A Lee Tuffnel, Miss C Lewis, Mr I Nunn, Mrs K Shea, Mrs K Proctor (formerly Miss K Heart)
Representative	:	None
Type of Application	:	Liability to pay and reasonableness of service charges.
Tribunal Members	:	Judge N Jutton and Mr J Reichel BSc MRICS
Date of Hearing	:	30 November 2016
Date of Decision	:	5 December 2016

DECISION

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1 Introduction

2 The Applicant, Maxi Investments Limited, owns the freehold of 19 St John's Road, Bournemouth, Dorset, BH5 1EQ (the Property). It acquired the freehold interest in September 2015. The Property is a semi-detached house that it is understood was converted in the late 1990s into 5 separate flats. The Respondents are the Lessees of the individual flats which they each hold under the terms of a long Lease.

3 On 17 August 2016, the Applicant submitted an application to the Tribunal for a determination that if it were to carry out planned works to replace the roof at the Property and thereby incur contractor's fees of £35,200 plus Value Added Tax, together with Surveyor's fees and a Construction, Design and Management Regulation fee, that such costs and expenses if incurred would be payable by the Respondents as service charge and if so, whether the proposed sums would be reasonably incurred.

4 Directions were made by the Tribunal on 25 August 2016. They provided for both parties to file and serve a Statement of Case together with supporting documents and for the preparation of a Hearing Bundle.

5 The matter came on for hearing before the Tribunal on 30 November 2016. Prior to the hearing, the Tribunal inspected the Property and also, at the request of the Respondents, the exterior of a residential property at 20 Howard Road, Bournemouth, Dorset, BH8 9DZ (20 Howard Road).

6 Documents

7 The documents before the Tribunal comprised a Bundle of some 167 pages which included the Applicant's application, the Lease of Flat 5 at the Property, the Applicant's Statement of Case, a Surveyor's report prepared by Mr Christopher Lewington BSc MRICS of Bennington Green Limited, documents served by the Applicant on the Respondents pursuant to section 20 of the Landlord & Tenant Act 1985 in respect of the proposed works, a specification for the proposed works prepared by Mr Lewington, contractors' estimates in the form of Schedules of works from AST Roofing and WE Cox & Sons, a quotation for the works obtained by the Respondents from a company called Jay-Mar Roofing Services, a letter from Mrs Proctor addressed to Burns Property Management Limited on behalf of all the Respondents dated 22 July 2016, and an email from Mrs Proctor to Burns Property Management Limited dated 5 August 2016 together with further documents. References to page numbers in this Decision are references to the page numbers in that Bundle.

8 Notwithstanding the Directions made by the Tribunal, there was no Statement of Case filed and served by the Respondents save that the letter from Mrs Proctor to Burns Property Management Limited dated 22 July 2016 (page 149) and her email of 5 August 2016 (page 151) set out the basis of the Respondents' written case.

9 The Inspection

10 The Tribunal inspected the Property on the morning of 30 November 2016. It was accompanied by the Applicant's Surveyor Mr Lewington, Miss Holly Tizzard from Burns Property Management Limited, Mrs K Shea and Mr Bradley Proctor the husband of Mrs Kate Proctor.

11 The Property is a semi-detached residential property which has been converted into 5 flats. The pitched, hip ended roof which includes dormer windows is laid with Redland 49 tiles, the external walls are rendered. At the request of the parties, the Tribunal inspected the roof space gaining access though Flat 5. The Tribunal's attention was drawn to the following:

1. Close board covering to rafters
2. Poor workmanship and incorrect detailing to repair infill where a chimney stack has been removed in the past
3. Poor workmanship and incorrect detailing to hip end repairs
4. Redundant water tanks
5. Inadequate loft insulation
6. Infill plaster board presumed to be a fire break
7. Areas of debris and brick rubble presumed to be from earlier repairs

The Tribunal was also shown areas within flat 5 where damp had been reported specifically in the rear and side bedrooms. Staining to ceiling and dormer wall areas in these rooms was noted. Mould was also noted in the dormer to the rear bedroom. Finally, the Tribunal was shown the unusual detailing to the windows of the main room's 'turret' feature which was seen to be prone to condensation.12

12 The Law

13 The statutory provisions relevant to service charge applications are to be found in sections 18, 19 and 27A of the Landlord and Tenant Act 1985 (the 1985 Act). They provide as follows:

The 1985 Act

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

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

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

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

(3) *For this purpose –*

(a) *"costs" includes overheads, and*

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

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

(a) *only to the extent that they are reasonably incurred, and*
(b) *where they are incurred on the provision of services or the carrying out of works, only if the services or works are of a reasonable standard;*

and the amount payable shall be limited accordingly.

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

27A (1) *An application may be made to the appropriate tribunal for a determination whether a service charge is payable and, if it is, as to –*

(a) *the person by whom it is payable,*
(b) *the person to whom it is payable,*
(c) *the amount which is payable,*
(d) *the date at or by which it is payable, and*
(e) *the manner in which it is payable*

(2) *Subsection (1) applies whether or not any payment has been made.*

(3) *An application may also be made to the appropriate tribunal for a determination whether, if costs were incurred for services, repairs, maintenance, improvements, insurance or management of any specified description, a service charge would be payable for the costs and, if it would, as to –*

(a) *the person by whom it would be payable,*
(b) *the person to whom it would be payable,*
(c) *the amount which would be payable,*
(d) *the date at or by which it would be payable, and*
(e) *the manner in which it would be payable.*

(4) *No application under subsection (1) or (3) may be made in respect of a matter which –*

(a) *has been agreed or admitted by the tenant,*
(b) *has been, or is to be, referred to arbitration pursuant to a post dispute arbitration agreement to which the tenant is a party,*
(c) *has been the subject of determination by a court, or*
(d) *has been the subject of determination by an arbitral tribunal pursuant to a post-dispute arbitration agreement.*

5 *But the tenant is not to be taken to have agreed or admitted any matter by reason only of having made any payment.*

15 A copy of the Lease of Flat 5 appears at pages 13-33. It is for a term of 125 years from 1 June 1998.

16 A company called 19 St John's Management Co Limited (the Management Company) is a party to the Lease. The Tribunal was told during the course of the hearing that that company had been struck off the Companies Register in 2012 and that the obligations of the Management Company under the terms of the Lease now rested with the Applicant as Lessor pursuant to clause 6 of the Lease. Clause 6 provides that the Landlord (the Applicant) will carry out the Management Company's obligations in accordance with the terms of the Lease in the event that the Management Company ceased to exist or failed to carry out its obligations.

17 By clause 3 of the Lease, the Tenant covenants to pay a service charge as a contribution to the costs and expenses of running the Property incurred by the Management Company (and thus the Applicant) which matters are more particularly set out in the Third Schedule to the Lease. Part 2 of the Third Schedule provides that those shall include the costs incurred by the Management Company (and hence the Landlord) in carrying out its obligations in clause 5 of the Lease.

18 By clause 5 of the Lease, the Management Company covenants to maintain repair decorate and renew amongst other things the common parts and the '*Main Structure*'. The '*Main Structure*' is defined at clause 1.12 to mean "*... all exterior and all internal load bearing walls (but excluding in each case the plaster or other internal finish thereof), all foundations floor slabs (but excluding the covering thereof) ceiling slabs (but excluding the battens and/or covering or decoration affixed thereto) and roofs of all flats that are situate on the Property*". As stated, by clause 6 of the Lease the Applicant as Landlord covenants to carry out the Management Company's obligations in the event that the Management Company ceases to exist.

19 The First Schedule to the Lease provides for the Lessee to pay a quarterly service charge as a provisional service charge in advance on the first day of January, April, July and October in each year, for accounts to be taken and certified at the end of the financial year, and thereafter for a balancing payment to be made by the Tenant in the event that the actual service charge is greater than the provisional service charge payments made or conversely if the provisional service charge payments exceed the actual service charge for there either to be a refund to the Tenant or a credit against the Tenant's service charge account.

20 The Tribunal asked the Respondents at the start of the hearing whether or not it was accepted by the Respondents that costs and fees that may be incurred by the Landlord in carrying out repairs to the roof, provided they were properly incurred, were payable by the Respondents as part of their service charge. The Respondents said, quite fairly and reasonably, that that was accepted.

21 **The Applicant's Case**

22 The Applicant's case is set out in its Statement of Case (page 48) and in oral submissions made on its behalf at the hearing.

23 In October 2015, following complaints from the tenant of Flat 5 of the ingress of damp/water, an inspection of the roof was carried out by the Managing Agents, the Letting Agent for Flat 5 and a Building Contractor. Scaffolding was erected by a company called AST Roofing to inspect the roof. Following the inspection, AST Roofing advised that the roof was beyond repair and the Applicant should consider replacing it. AST Roofing recommended a Building Surveyor be instructed to advise further. The Applicant says that the Respondents were kept informed and were advised that it was the intention of the Applicant to appoint a Building Surveyor. They appointed Mr Christopher Lewington of Bennington Green to advise.

24 Mr Lewington produced a report (pages 59-70) dated 20 January 2016. Mr Lewington concurred with the findings of AST Roofing. He stated, and confirmed at the hearing, that in his opinion the roof originally would have been laid with slate tiles over close-boarded rafters. That the slates had subsequently been replaced with concrete tiles. Mr Lewington concluded in his report that the extent of the defects identified were such that *"... it would not be considered a value for money exercise to try to affect localised repairs. To this extent renewal of the roof coverings and associated elements is now considered necessary"* (page 64). He recommended that a specification document be prepared and sent out to tender to obtain competitive quotes from competent roofing contractors.

25 The Applicant instructed Mr Lewington to prepare a specification. A copy of that specification appears at pages 75-140. It is a detailed specification. Mr Lewington told the Tribunal that it was prepared on the basis that it would allow for a 'worst case scenario'. That the specification sought as far as reasonably possible to cover every eventuality on the basis that until the roof was opened up, the exact scope of the works required would not be known. That was why the specification included provisional sums and contingency sums. The contingency sum was 10% which he said was the industry standard. That it was preferable in his opinion for provisional allowances to be included and then reviewed and omitted or reduced from the specification as the works progressed thus allowing reduction in costs. The alternative was to accept the potential need for additions to be made during the works and thus extra unexpected costs incurred.

26 Mr Lewington said that the contract with the chosen contractor would be in the standard JCT Minor Building Works form and he would be appointed as the Contract Administrator under the terms of that contract. As such he said his role was to be impartial. His interest was to deliver the project on time, of the right quality and cost. In answer to questions put to him by the Respondents, he said he would generally be on site at first once or twice a week in the first couple of weeks and thereafter probably once a week. That of the last 5 contracts of this nature with which he had been involved, all had come in at under-budget.

27 The Applicant says that all the Respondents were sent a copy of Mr Lewington's specification on 9 February 2016 together with an initial Notice served under section 20 of the Landlord & Tenant Act 1985. They were also invited to a meeting which took place on 23 February 2016 to meet Mr Lewington and to discuss the proposed works. There is a note of that meeting at page 74. The note reports that all the Respondents present at the meeting (Miss C Lewis, Mrs K Shea and Mr and Mrs K Heart) agreed that the roof required replacement. The Applicant says that Mr Lewington also explained at the meeting the requirements of the Construction, Design and Management Regulations 2015 (CDM 2015) and that any nominated contractor would have to demonstrate that they were competent and compliant with CDM 2015.

28 During the section 20 consultation process, contractor nominations were received from two of the Respondents, those contractors being WE Cox and Chris Harvey. Their details were passed to Mr Lewington to include in the tender process.

29 On 29 June 2016, a statement of estimates was sent by the Applicant to the Respondents providing details of the estimates received in accordance with the specification. They were from WE Cox & Sons, Premier Building & Roofing and AST Roofing (Chris Harvey declined to tender). The lowest of the three estimates, that from WE Cox & Sons, was in the sum of £35,200 plus VAT. Mr Lewington recommended that it be accepted.

30 The Applicant says that having regard to the Royal Institution of Chartered Surveyors Code of Practice, it was and is reasonable for it to instruct an experienced specialist Surveyor to advise it and to supervise the works as Contract Administrator. That as such it acts responsibly in instructing a Surveyor.

31 The Applicant says that it was necessary to have a specification for the proposed works in order to comply properly with the section 20 consultation process not least to ensure that the tendering process was fair. That the Applicant had properly followed the section 20 consultation process and had allowed the Respondents every opportunity to respond even to the extent of extending the time limits within that process. Mr Hargadon said that the Applicant accepted that the Surveyor's charges must be reasonable. This was he said a complex project that required the assistance and guidance of a specialist Surveyor. It was in his view prudent with a project of this nature to appoint a surveyor to advise and he referred to the Royal Institution of Chartered Surveyors Code of Practice. In all the circumstances, the Applicant contends, that throughout the process it had acted properly, appropriately and reasonably,

32 As to the quotation obtained by the Respondents from Jay-Mar Roofing Services dated 14 July 2016 (page 147) in the sum of £29,550 (it is assumed net of VAT), Mr Lewington made the point that that quotation contained no provision for a contingency sum or provisional sums and once those were added in, in all probability that quote would be in line with if not more than that of WE Cox.

33 Mr Lewington was asked by the Respondents whether contractors who had tendered for the work had inspected the roof. Mr Lewington could not answer that although in the process all contractors were offered the opportunity to inspect. He said it was up to the contractors as to whether or not they wished to inspect although he would expect them to do so. However, they were tendering upon the basis of a detailed specification. It was not necessary to stipulate that the contractor must inspect before submitting a tender that was a matter for the contractor. If a contractor produced a tender based purely upon a specification, it did so at its own risk.

34 As to the proposed roof tiles, Mr Lewington said that the specification provided that the replacement tiles would be a form of composite slate known as a Marley Eternit Birkdale which were cheaper than natural slate but produced as good a performance. He said that they were lighter than the current concrete tiles. They would he suggested perform well for 60 years. That if he had specified concrete tiles, then because of the weight of those tiles he would have been required to instruct a structural engineer to advise as to whether or not the roof could take the weight. There would be a cost to obtaining that advice. There was not, he suggested, a major difference in price between concrete tiles and composite slate tiles. He described the proposed Marley Eternit Birkdale tiles as a 'Ford' product and not a 'Rolls Royce' product.

35 In answer to questions relating to the insulation to the roof, Mr Lewington explained that as it was proposed to replace the whole of the roof, the work would require Building Regulation Approval and that to comply with Building Regulations the roof would have to have insulation as per the specification which was 400mm insulation.

36 At the request of the Tribunal, Mr Lewington explained what was meant by 'CDM fee'. This was a fee that would be paid to his company for insuring that the chosen contractor complied with CDM 2015. Mr Proctor on behalf of the Respondents said quite fairly that the Respondents did not have a concern about the proposed CDM fee of £600 plus VAT.

37 As to the proposed Surveyor's fees Mr Lewington confirmed that they were calculated at the rate of 11% of the actual cost of the works. That would be the amount of the WE Cox tender subject to such deductions as were made to the scope of the works as they progressed. So that once the roof was exposed and the work got under way, to the extent that there were omissions made from the scope of the works as set out in the specification, there would be a corresponding reduction in the Surveyor's fees.

38 **The Respondents' Case**

39 Mrs Shea referred the Tribunal to its inspection of 20 Howard Road. That she said was a property where the roof had been replaced by the same Contractors, WE Cox. She contended that the roof was of a similar size to that at the Property but was more complex having upper and

lower level gables (7 gables), and that the work had included removing 4 chimneys. The roof replacement at 20 Howard Road she said been intricate and carried out to a very high standard. That it had taken 6 weeks to complete but she understood, at a much lower cost than that being proposed for the works to the Property.

40 The Respondents say that the Specification prepared by Mr Lewington is over the top. That it is excessive. That they had been told by many contractors that it was so detailed that they were not prepared to provide a quotation for the work. That there was no need for a specification of works at all. That the Applicant simply needed to instruct a reputable contractor to inspect the roof and to advise as to the works required. That this is a modest property which did not warrant some £50,000 (including VAT) spending on the roof. Whilst it was agreed that repair work was required with a degree of some urgency, the work proposed was unreasonable and too expensive. The Respondents contend that they have not been given sufficient opportunity to obtain alternative quotes. That one contractor had told them that he could save £10,000 just by using cheaper tiles and a different grade of insulation. Mrs Shea said that she felt that the whole consultation process had been badly handled, that the Respondents had just been told what was going to happen, that there had been no real consultation. That there had been a failure to consult in relation to the proposed Surveyor's fees. That there had been an unreasonable delay on the part of the Applicant inconsistent with the understanding that the work was required as a matter of some urgency. The Respondents had been reluctant to arrange for further quotes to be obtained through Mr Lewington's company because they had been told that there would be a cost of £95 per hour for Mr Lewington to do so.

41 The Respondents were concerned that none of the contractors who had tendered for the work appeared to have inspected the Property. That in their view the contractors should have been required to do so. It was suggested in a letter from Mrs Kate Proctor on behalf of the Respondents to Burns Property Management Limited of 22 July 2016 (page 149) that contractors who did not carry out an inspection *"always over-quote a project if they have not been allowed to scope out the proposed works with their own eye. This has resulted in over-inflated costs for the works"*.

42 The Respondents accept that the work to the roof needs to be carried out but they feel that the scope of the works proposed by the Applicant is excessive and that the proposed cost is unreasonable.

43 **The Tribunal's Decision**

44 The Respondents accept that in the usual course of events, if the Applicant carries out works to repair the roof that it can recover from them the costs that it reasonably incurs in doing so as service charges. They are in the view of the Tribunal right to do so.

45 The issue before the Tribunal is if the Applicant carries out the works to the roof that it proposes in accordance with the specification produced

by Mr Lewington and in accordance with the tender received from WE Cox for £35,200 plus VAT, whether such costs would be reasonably incurred and thus recoverable from the Respondents as part of their service charge. That in addition, if the Applicant's Surveyor Mr Lewington of Bennington Green is retained to supervise the works, to act as Contract Administrator, whether his charges equivalent to 11% of the actual cost of the works plus VAT, would be reasonably incurred and thus recoverable by the Applicant from the Respondents as part of their service charge. That if the proposed fee of £600 plus VAT, for Bennington Green to ensure compliance on the part of the contractor with the Construction Design and Management Regulations 2015 were incurred would that be reasonable and thus also recoverable by the Applicant from the Respondents as part of the service charge.

46 The Respondents say that the specification for the works produced by Mr Lewington upon which the tender from WE Cox is based, is too extensive, that it goes beyond the scope that is necessary for these works. Indeed, that there is no need for a specification of works at all. That all the Applicant needed to do was to instruct a reputable contractor to inspect the roof and to advise as to the works required. The Respondents refer to the roof of 20 Howard Road which they understand was constructed by WE Cox without a specification produced by a surveyor. They say that is a comparable job to that proposed for the Property and one which was undertaken at a lower price.

47 Mr Lewington says that he produced his specification on a worst case scenario basis. That the nature of such building works is such that when the work starts and the roof is removed, problems may be revealed which might not otherwise have been anticipated or alternatively, anticipated problems may in the event not arise. It is in his view better to err on the side of caution and to proceed, as he put it, on the basis that 'omission' is better than 'addition'. That is why he builds into his specification a contingency sum of 10% which he described as industry standard together with various provisional sums. He told the Tribunal in answer to questions put to him by the Respondents, that for the last 5 projects of this nature which he had undertaken and for which he produced specifications on a 'worst case scenario' basis, all had come in under budget.

48 Mr Lewington says that the works will proceed under the terms of a standard JCT Minor Works Contract and that he will be appointed as the Contract Administrator. That his role was to be impartial. That his intention and interest was to deliver the project on time, on quality and at the right cost. That as Contract Administrator, he would generally inspect the site once a week, sometimes more often, to sign off each stage of the work.

49 The Applicant says that it is sensible to have a detailed specification produced for the works as part of the section 20 consultation process. A detailed specification that allows competing contractors to tender on the same basis. Indeed, Mr Hargadon suggested that it would be difficult to comply with the section 20 consultation process without a detailed specification of the proposed works.

50 The Tribunal agrees with the Applicant that for works of this nature, it is good practice to appoint a Surveyor to advise and having advised, to produce a specification for the works. It also agrees that Mr Lewington's approach of producing a specification of works on a 'worst case scenario' basis is sensible. Clearly the nature of these works are such that until the roof is uncovered, the exact scope will not be known. On that basis, it is prudent to produce a specification on a worst case or cautious basis. The hope is that in practice the project will come in at under-budget ie for a lower sum than that put forward by the contractor on the basis that certain anticipated works are not in the event required. Indeed, that has been Mr Lewington says the outcome in the last 5 projects that he has been involved in of a similar nature. That is preferable in the view of the Tribunal to a specification which is more limited in scope but where there is perhaps a greater risk that as the work progresses the cost increases rather than decreases.

51 The Respondents say that they have been told by other contractors that the work could be carried out for less money. They have produced no evidence of that, save for the quotation of Jay-Mar Roofing Services (147) dated 14 July 2016. They criticise the choice of tiles contained in Mr Lewington's specification and the extent of the proposed insulation. The Tribunal accepts Mr Lewington's explanation that the choice of composite slate tiles is sensible both in terms of weight and price. It also accepts his explanation in relation to insulation; that the insulation provisions in the specification are such as to comply with Building Regulations.

52 As to the Jay-Mar Roofing Services quote, the Respondents understand that it was produced upon the basis of Mr Lewington's specification. It is for £29,550. It is not clear if it includes VAT but the assumption is that that figure is net of VAT, (if VAT is chargeable). It is some £5650 less than the WE Cox quote. However, it contains no provision for a contingency sum or any provisional sums. If they were included, in all probability the quote would be comparable directly with that of WE Cox. In any event, the Tribunal has to determine whether, if costs are incurred, would they be reasonably incurred. That does not necessarily mean that the Applicant has to accept the lowest quote available.

53 The Tribunal also takes note of the fact that the Applicant undertook a section 20 consultation process as it is required so to do and that the tender which it seeks to accept is from WE Cox, a contractor put forward by the Respondents as part of that consultation process.

54 Whilst the Tribunal is grateful to Mrs Shea for allowing it the opportunity to inspect the exterior of the roof at 20 Howard Road, it is not assisted by that. 20 Howard Road is a different type of building. To be of any assistance, the Tribunal would need to see a detailed specification of the works carried out at 20 Howard Road that would be comparable to those proposed at the Property. Just from the Tribunal's own inspection, they are not. The tenders that have been received are for the works proposed to the Property, in accordance with Mr Lewington's specification. Three contractors have tendered and their prices range

from £43,768.34 plus VAT to that of WE Cox & Sons which is the lowest received of £35,200 plus VAT. That tender process in the view of the Tribunal is sufficient to demonstrate that on balance the tender of WE Cox & Sons for the proposed works to the Property is reasonable.

55 In all the circumstances, having considered very carefully the papers before it and the submissions made by the parties, the Tribunal is satisfied that if the Applicant incurs costs with WE Cox & Sons of £35,200 plus VAT in carrying out the proposed roof works to the Property, such costs would be reasonably incurred and recoverable from the Respondent as part of their service charge.

56 The Tribunal is also of the view that it is sensible and good management practice to the benefit of both parties for the Applicant to appoint Mr Lewington to supervise those works as Contract Administrator, and that his proposed charges equivalent to 11% of the actual cost of the roof works if incurred will be reasonably incurred and recoverable from the Respondents as part of their service charge.

57 The Tribunal is also of the view that it is sensible and good management practice to appoint Mr Lewington to coordinate and supervise the chosen contractor to ensure compliance with the Construction, Design and Management Regulations. The Respondents accept that the cost of doing so of £600 plus VAT proposed is reasonable and the Tribunal agrees.

58 **Summary of Tribunal's Decision**

59 If the Applicant incurs the following costs in carrying out roof replacement works to the Property in accordance with the specification produced by Mr Lewington, they will in the view of the Tribunal be reasonably incurred and a service charge will be payable by the Respondents for those costs. The costs are:

i. Contractor's costs of £35,200 plus VAT.

ii. Surveyor/Administrator's fees equivalent to 11% of the actual cost of the works plus VAT.

iii. Fees of £600 plus VAT paid to the Applicant's Surveyor to ensure compliance with the Construction, Design and Management Regulations.

Dated this 5th day of December 2016

Judge N Jutton

Appeals

1. A person wishing to appeal this decision to the Upper Tribunal (Lands Chamber) must seek permission to do so by making written application to the First-tier Tribunal at the Regional office which has been dealing with the case.

2. The application must arrive at the Tribunal within 28 days after the Tribunal sends to the person making the application written reasons for the decision.

3. If the person wishing to appeal does not comply with the 28-day time limit, the person shall include with the application for permission to appeal a request for an extension of time and the reason for not complying with the 28-day time limit; the Tribunal will then decide whether to extend time or not to allow the application for permission to appeal to proceed.

4. The application for permission to appeal must identify the decision of the Tribunal to which it relates, state the grounds of appeal, and state the result the party making the application is seeking.