4234

FIRST-TIER TRIBUNAL
PROPERTY CHAMBER
(RESIDENTIAL PROPERTY)

Case reference	:	**NAT LON/00BK/OC9/2016/0250**
Property	:	**Flats 59, 77, 113, 127, 130 and 141 Grove Hall Court, London NW8**
Applicants	:	**Andrew David Eady (Flat 59)** **Guy Freeman (Flat 77)** **Natalie Ann Farah Somekh (Flat 113)** **David Maurice Somekh (Flat 127)** **Bernard Herman (Flat 130)** **Jonathan Solomon Somekh (Flat 141)**
Representative	:	**Miss Mather of Counsel, Instructed by Ashley Wilson Solicitors LLP**
Respondent	:	**Brickfield Properties Limited**
Representative	:	**Miss Bone, Wallace LLP, Solicitors**
Type of application	:	**Application under the Leasehold Reform, Housing and Urban Development Act 1993 to determine the costs payable under section 60 of the Act**
Tribunal member(s)	:	**Miss A Seifert (Tribunal Judge)** **Mrs Sarah Redmond MRICS (Valuer Member)**
Date and venue of hearing	:	**at 10 Alfred Place, London WC1E 7LR**
Date of decision	:	**23rd September 2016**

DECISION

Decision of the tribunal

The tribunal determines that the costs payable by the applicants to the respondent, pursuant to section 60 of the Leasehold Reform, Housing and Urban Development Act 1993 ('the 1993 Act'), are the following sums.

Flat 59	£2053.25
Flat 77	£2047.70
Flat 113	£2047.70
Flat 127	£2047.70
Flat 130	£2047.70
Flat 141	£2047.70

The background

1. Daejan Investment (Grove Hall) Limited, is the freehold owner of premises known as Grove Hall Court, Hall Road, London NW8, of which Flats 59, 77, 113, 127, 130 and 141 form part ('the flats').

2. The freehold title is subject to head leases dated 19th May 2011 for the term of 999 years from that date, of premises known as 40 to 79 Grove Hall Court and 80 to 205 Grove Hall Court.

3. The applicants are lessees under leases for the term of 99 years of the flats.

4. It was not in dispute that the Competent Landlord for the purposes of the applications is the respondent.

5. On or about 20th May 2015 the applicants served Notices of Claim pursuant to section 42 of the 1993 Act seeking to acquire new leases of the flats.

6. The on or about 29th July 2015 the respondent served Counter Notices pursuant to section 45 of the 1993 Act, admitting each of the applicants' entitlement to the grant of lease extensions for the flats.

7. The terms of acquisition of the new leases were agreed between the applicants and the respondent on 24th March 2016. The new leases were completed on 13th July 2016.

8. Section 60 of the 1993 Act provides that the Tenant shall be liable for reasonable costs of and incidental to any of the following matters, namely:

(a) Any investigation reasonably undertaken of the tenant's right to a new lease;

(b) Any valuation of the tenant's flat obtained for the purpose of fixing the premium or any other amount payable by virtue of Schedule 13 in connection with the grant of a new lease under section 56;

(c) The grant of a new lease under that Section.....

9. Miss Mather representing the applicants told the tribunal that initially the long leaseholders of seven flats had served notices under section 42 to extend their leases. One leaseholder had reached agreement with the respondent in respect of the reasonable costs, but the reasonable statutory costs in respect of the other six leaseholders remained in issue and were the subject of this hearing.

10. The respondent's valuation fees have been agreed between the parties.

11. On or about 14th June 2016, the six applicants applied to the tribunal seeking a determination of the statutory costs payable.

12. The tribunal issued directions on 20th June 2016.

13. At the hearing the outstanding matters in issue can be summarised as:

(i) hourly rates,

(ii) time spent;

(iii) office copy entries;

(iv) economies of scale.

The hearing

14. At the hearing the applicants were represented by Miss Mather of Counsel. The respondents were represented by Miss Bone, a Partner in Wallace LLP. They each referred to the evidence and made submissions.

The parties' cases

15. Jade Wilson of Ashley Wilson Solicitors LLP, the applicants' solicitors, provided a witness statement dated 18th July 2016.

16. The respondent's representatives provided written submissions on costs dated 25th July 2015.

17. Detailed statements of costs setting out the respondent's case as to the date the work was done, the type of work done, description of the work done, the level of fee earner, the time spent, the hourly rate, the amount claimed, and disbursements, together with supporting invoices were sent to the applicants' solicitors pursuant to the tribunal's directions on 4th July 2016.

18. The schedules for each of the flats were set out at pages 379 to 403 of the hearing bundle. In their submissions and at the hearing the parties' representatives primarily referred to the schedule in respect of flat 59 ('the schedule for flat 59').

19. The respondent's representatives provided a further schedule (pages 503 to 506 of the bundle) ('the additional schedule') which sought to provide further details of the items on the schedule for flat 59.

20. In this decision the tribunal has addressed the items in the order set out in the schedule for flat 59 for ease of reference. There were some differences between the items included on the schedule for flat 59 and on the schedules for the other flats.

21. The respondent claimed that the reasonable costs of the relevant work carried out, was as follows:

    Flat 59: £2117.04 plus VAT in connection with the respondent's legal fees (plus £30 Land Registry fees) (total £2570.45)

    For each of flats 77, 113, 127, 130, 141: £2028.42 plus VAT in connection with the respondent's legal fees (plus £12 Land Registry fees) (total £2446.10)

22. It was submitted on behalf of the respondent that the costs claimed are costs incurred by the respondent in accordance with section 60 of the 1993 Act, being costs that the respondent would incur had it been personally liable.

23. In the witness statement of Miss Wilson it was submitted on behalf of the applicants that total recoverable legal fees should be £849.60 plus VAT (plus £3 official copy disbursement) per flat.

Hourly rates

24. The respondent's representatives submitted that the basis upon which legal fees are charged to the respondent is by reference to the time spent by the relevant fee earners. The respondent's solicitor was a Partner in a London firm of solicitors and at the relevant time had a charge out rate of £420 per hour. The Partner is a Grade A fee earner. A Partner in the conveyancing department of the respondent's solicitors also undertook work in preparing the draft leases forming part of the respondent's counter-proposals in the Counter Notices. That partner is a Grade A fee earner and at the relevant time had a charge out rate of £425 per hour. The assistant solicitor in the litigation department of the respondent's solicitors also undertook work in preparing the lease engrossments and completion statements (and all matters dealing with completion). The assistant solicitor is a Grade A fee earner and at the relevant time had a charge out rate of £330 per hour. A paralegal whose charge out rate was £180 per hour also undertook work on the matter.

25. As a matter of background it was stated that the respondent's solicitors, Wallace LLP had been acting for the respondent for many years, dealing with enfranchisement matters. They have the specialised knowledge and capacity to deal with this work. It was submitted that the rates charged by the respondent's solicitors were consistent with the usual charge out rate for solicitors in Central London. It was also submitted that it was reasonable for a fee earner with relevant experience to have conducted the matter and carried out work. Several previous decisions of the tribunal were referred to indicting the level of costs considered reasonable and appropriate.

26. Miss Mather submitted that the charging rates, in themselves, were not reasonable. Whether the charging rate at which the fees were claimed was the normal charging rate for the respondent's solicitor's firm did not matter. The legislation provided that the costs that are recoverable must be reasonable. Previous decisions referred to did not fetter the tribunal's consideration. The question was what are the respondent's reasonable costs? She submitted that it was questionable whether, the respondent would be happy to pay the costs proposed itself were they not passing these on to the applicants.

27. Although Miss Mather did not dispute that this is a complex area of law, in these particular cases, a number of complexities that might have arisen in other cases did not arise. Miss Mather submitted that these were simple applications and required simple responses. All the notices complied with the legislation. There were seven applications initially, which were effectively the same and made at the same time. Economies of scale should have applied. The respondent's solicitors' charges might have been reasonable in cases if there was one application, but here there was a great deal of duplication.

28. Paralegals

28.1 It was submitted in the statement of Ms Wilson, that the hourly rate of £180 plus VAT for a paralegal is not reasonable. Reference was made to the guideline hourly rate for a London Grade 2 firm such as the Wallace LLP as being £126 pus VAT. Ms Wilson referred to at 2014 tribunal decision (MR/LON/00BA/OC9/2014/0138) where it was considered that £150 per hour was reasonable for paralegal/trainee solicitor at the respondent's solicitors' firm.

28.2 Miss Mather submitted that the charging rate for a paralegal of £180 per hour plus VAT was excessive. She explained that the CPR guidelines about reasonable costs do not apply to the First-tier Tribunal. However, she submitted that the guidelines may be helpful as demonstrating the amount normally considered reasonable in respect of costs against a paying party. The sums claimed by the respondent are in excess of the CPR guidelines. The guide sum for paralegals is £126 per hour plus VAT, whereas a charging rate of £180 per hour plus VAT is claimed as reasonable. Accepting that the CPR guidelines did not strictly apply, it was suggested that the reasonable rate would be £150 plus VAT per hour for a paralegal or a person on a training contract.

28.3 Miss Bone explained that the paralegal is experienced and has specialist knowledge of this area of law.

29. Assistant solicitors

29.1 It was submitted on behalf of the applicants that the hourly rate of £330 plus VAT for an assistant solicitor is not reasonable. The CPR guidelines hourly rate for a London Grade 2 firm such as the respondent's solicitors is £242 plus VAT for an assistant solicitor. It was suggested that a rate of £275 per hour plus VAT was reasonable.

30. Partner

30.1 It was submitted on behalf of the applicants that the hourly rate of £420 plus VAT for a partner is not reasonable. The guideline hourly rate for a London Grade 2 firm such as the respondent's solicitors is £317 per hour plus VAT. It was suggested that a rate of £350 per hour plus VAT is reasonable.

The tribunal's decision – hourly rates

31. Having considered the evidence the tribunal allows the charging rates claimed for the respondent's legal costs. As explained by Miss Bone in her submissions at the hearing, this is a complex and specialised area of law. There was no evidence that the charging rates were out of the ordinary for this area of law and the work was by a firm with expertise

in this specialised area. The respondent's solicitors, Wallace LLP are based in Central London. Although the rates charged exceed the CPR guideline rates for London Band 1 published by the Supreme Court Costs Office, the tribunal finds these are reasonable given the specialist nature of leasehold enfranchisement work. The guideline rates provide a useful staring point when determining the hourly rate but these rates do not have to be followed by the tribunal. The applicants suggested that the appropriate rate should be £150 per hour plus VAT for a paralegal, £275 plus VAT per hour for an assistant solicitor, and £350 per hour plus VAT for a partner.

32. The tribunal determines that for the purposes of this particular application the following charging rates (plus VAT) are considered reasonable:

Partner - £420/425 per hour

Assistant solicitor - £330 per hour

For reasons noted later in this decision the item of work undertaken by the paralegal was disallowed. However, had fees been allowed, the tribunal would have found £180 per hour to be a reasonable charging rate taking into account the evidence that that this was an experienced paralegal in a specialist field.

Time spent / level of fee earner

33. The respondent's solicitors submitted that the provisions of the 1993 Act are complex and on the receipt of each Notice of Claim it is necessary for the relevantly experience fee owner to deal with the following:

(i) Consider the tenant's entitlement to the grant of a new lease and the validity of the Notice of Claim;

(ii) Communicate with the client to obtain relevant information;

(iii) Carry out and consider Land Registry searches;

(iv) Correspond with the tenants' solicitors;

(v) Instruct and correspond with valuer;

(vi) Consider the valuation and take client's instructions;

(vii) Prepare and serve Counter Notice

(viii) Prepare and agree form of new lease;

(ix) Undertake all actions to complete the new lease pursuant to section 56 of the 1993 Act.

34. It was submitted that it is reasonable to obtain the costs of the respondent's solicitors on the basis that the costs are paid by reference to time spent. The tribunal was referred *Daejan Investments Limited v Parkside 78 Limited* dated 4th May 2004, a copy of which was provided.

35. The respondent solicitors provided a schedule of costs in respect of each of the flats. At the hearing both representatives addressed the schedule for flat 59 to illustrate the issues. For the purposes of addressing the arguments put forward by the parties' representatives, the tribunal will primarily refer to the schedule for flat 59 (pages 379 to 380 of the hearing bundle). However the tribunal has noted that the schedules for the other flats were not identical to that for flat 59.

The tribunal's decision – time spent / level of fee earner

36. The first 4 items on the schedule for flat 59 were undertaken on 16th June 2015 by a partner at a charging rate of £420 per hour plus VAT. Items 6 to 17 (dated 17th June until 29th July 1915) were also carried out by a partner at the same rate.

37. In respect of item 1 'engaged in considering Notice of Claim', 0.5 hours were claimed (and the same amount of time for each of the other flats). It was submitted on behalf of the applicants, that 0.5 hours to consider the Notice of Claim was excessive, as this was a standard printed form as prepared by legal stationers with no extraordinary clauses or complications. It was submitted that 0.3 hours was reasonable.

38. The tribunal notes the submissions of Miss Mather on behalf of the applicants at the hearing, that the matter was straightforward and that the only issue in substance were the premiums for the extended leases. However, the tribunal considers that although it was noted that the issues turned out in to be straightforward, this was not necessarily the outcome at the start of the process and a prudent and experienced firm of solicitors would not have made the assumption suggested. Having considered the evidence of Miss Bone in respect of the possible complexities arising out of a Notice of Claim, the tribunal considers that the period of 0.5 hours for this item or work was reasonable.

39. Having considered the evidence and submissions, in particular Miss Bone's account of the expertise required for work of this nature, the tribunal also finds that it was appropriate that items 1, 2 and 4 on the schedule for flat 59 and corresponding items on the schedules for the

other flats were undertaken by a partner and that the costs of items are reasonable.

40. It was noted that there were different charging rates for work carried out by a partner. In her witness statement Miss Wilson noted that in the schedule for flat 59 that the charge rate for a partner was £425 per hour for work undertaken on 20th July 2015 and that this was inconsistent with the charge rate of £420 per hour for a partner on for other items. Miss Bone provided a satisfactory explanation in her evidence that there were two partners with different charging rates. There were two partners involved with slightly different charging rates at the time.

41. In respect of item 5 'Engaged obtaining office copy entries and lease' this item was undertaken by the paralegal. Corresponding items appear on the schedules for the other flats. The amount charged is 0.2 hours on 17th June 2015. The amount for each flat is £36.

42. It was submitted on behalf of the applicants that that the respondent's solicitors had served a notice on 16th June 2015 requiring the applicants' solicitors to deduce title in accordance with schedule 2, paragraph 4(1) of The Leasehold Reform (Collective Enfranchisement and Lease Renewal) Regulations 1993 ('the 1993 Regulations'). In accordance with the 1993 Regulations the leaseholder must comply within a limited time. The applicants' solicitors provided the proof of title on 29th June 2015, within the required period. A copy of a letter from Ashley Wilson Solicitors LLP dated 29th June 2015 (page 507 of the hearing bundle), in response to the request on 16th June 2015, enclosed the copy title and plan together with the lease for flat 59. The evidence was that the title and plan for the other flats was similarly provided.

43. Despite having requested deduction of titles and the leases on 16th June 2015 from the applicants, the respondent's solicitors the following day obtained office copy entries and received these and forwarded these to the valuer on 18th June 2015.

44. It was submitted in the witness statement of Miss Wilson that it was unnecessary for the respondent's solicitors to obtain official copies and title plan of the freehold title. It was also submitted that it was unnecessary to obtain duplicated copies of any title. It was common ground that the parties were aware that the respondent was the Competent Landlord for the purposes of the 1993 Act and were the registered proprietors of the 999 year head leases over the estate.

45. On 16th June 2015, deduction of title and the lease had been requested from the applicants. It was noted that on the additional schedule that in the letter dated 16th June 2015 to the respondent it was confirmed that 'deduction of title had been requested from the Lessee'.

46. The tribunal was informed by the respondent's solicitors that upon receipt of a Notice of Claim, it was the standard policy of the respondent's solicitors to immediately obtain and review all relevant office copy entries and thereafter to forward the same to the valuer instructed for their review and use in preparing a valuation report. The reason given for this was that there is a strict time period for a landlord to investigate, obtain a valuation report and serve a Counter Notice, and a significant amount of time might be wasted by a landlord waiting for a lessee to supply the requested title documentation in respect of their flat.

47. Having considered the evidence and submissions the tribunal considers that it was not reasonable to incur the costs of the time of the paralegal for being 'Engaged obtaining office copy entries and lease' on 17th June 2015. The necessary documents had been requested from the applicants' representatives on 16th June 2015 under the 1993 Regulations. The notice was complied with. The respondent's solicitors had no satisfactory reason to conclude that this request would not be complied with in a timely fashion.

48. In the circumstances the tribunal considers the charge for the time of the paralegal on 17th June 2015 £36 for the item on 17th June 2015 was unnecessarily incurred and is disallowed.

49. The above submissions also apply to the amounts charged under the heading Office Copy Disbursement, later in this decision.

50. **The tribunal disallows the figure of £36 from the fees claimed in respect of each of the flats (item 5).**

51. In respect of item 8 on the schedule for flat 59, 14th July 2015, 'engaged in preparing Draft Counter Notice', 0.8 hours were claimed. In her witness statement Miss Wilson submitted that this charge was excessive, as the Counter Notice was a simple one page document which only disputed the premium payable and attached the draft lease which has been time recorded separately. It was submitted that 0.3 hours should be recoverable.

52. In addition to this charge, the schedule for flat 59 also included item 16 'engaged in finalising Counter Notice' 0.2 hours. Miss Bone accepted that this may have been an error and perhaps the item 16 should have been spread between the flats.

53. However, in respect of the other flats the schedules claimed 0.8 hours for 'engaged in preparing Counter Notice' on 29th July 2015.

54. The tribunal considers that the period of 0.8 hours for each of the flats the Counter-Notice to be reasonable taking into account the evidence of

Miss Bone relating to the possible complexities and consequences of such notices.

55. However, the tribunal does not consider that the additional charge of 0.2 hours on the schedule for flat 59 to be necessary or reasonable. Nor does the tribunal accept the suggestion of Ms Bone that this might be spread between the flats, particularly as there is already a charge on the schedules for the other flats for Counter Notices on 29th July.

56. **For the above reasons the tribunal disallows the charge of £84 (item 17) on the schedule for flat 59. There was no corresponding charge on the schedules for the other flats.**

57. It was submitted in Miss Wilson's witness statement that 'The respondent's solicitors breakdown of costs in relation to 59 Grove Hall Court details 3 letters sent on 14 July 2015 which do not appear to have been sent for the other flats. These costs should be disallowed as there is no reason why extra correspondence has been sent solely on this property'. However the tribunal noted that the same description of work appeared in the schedules for 3 letters sent on 29th July 2015 (rather than on 14th July 2015) in respect of the other flats, and that each of the flats had been charged 0.1 hours for each of these letters. In the circumstances the tribunal did not consider that the charges for these letters should be disallowed for the above reason.

58. In respect of items 18 to 44 it was noted that an assistant solicitor carried out this work. Miss Bone explained that at that stage of the process it was not necessary for a partner to undertake the work. The costs incurred in respect of the majority of the items were spread between the six flats. For example various charges for correspondence were charged at 0.01 hours. Miss Wilson submitted in her witness statement that the breakdown of costs did not illustrate the subject matter of the correspondence, and that the applicant was therefore unable to ascertain whether this was recoverable under the 1993 Act.

59. It was submitted that protracted correspondence was undertaken between the respondent's solicitors and the applicants' solicitors between 14th January 2016 and 30th March 2016 regarding the terms of the new lease. It was submitted that this should be disallowed as protracted negotiation on the lease terms should not be recoverable. They relied on the decision in *Sinclair Gardens Investments (Kensington) Ltd v Wisbey [2016] UKUT 203 (LC)*. It was submitted that only the correspondence between 30th December 2015 and 14th January 2016 should be recoverable.

60. Miss Wilson in her witness statement submitted that all correspondence between the valuer and the respondent's solicitor was not recoverable under any of the subsections of section 60 and should be disallowed. Further it was submitted that as the applicants were

unable to ascertain whether the other correspondence would be recoverable under the 1993 Act, half of the charge for the correspondence should be disallowed.

61. In the additional schedule (pages 503 to 506 of the hearing bundle), the respondent's representatives sought to provide explanations. The additional schedule addressed in more detail the items on the schedule for flat 59. This gave some assistance in explaining the nature of the correspondence and documentation, some of which was in the possession of the applicants' solicitors as it had been sent to them in the course of the process. The tribunal does not consider on the information available to us that it was been shown that the negotiations regarding the lease terms was such that this was not recoverable.

62. The applicants were concerned with the claim for costs of communications with the respondent's valuer. On the schedule for flat 59, there was item 3 on 16th June 2015 – 'Engaged preparing letter to valuer'. The description in the additional schedule stated: "This letter provided instructions to the valuer to undertake a valuation of the flat for the purposes of serving a Counter Notice'. This was charged at 0.1 hours and the cost was £42. On 18th June 2015 (item 7) there was a charge for an email to the valuer at 0.1 hours which it was stated on the additional schedule was for providing the valuer with office copy entry and a copy lease for the flat. This had been provided from the unnecessary investigations on 18th June. The information had been requested as previously stated as the respondent's solicitors had chosen to serve a notice under the 1993 Regulations which in due course were complied with. Accordingly it was reasonable that all the information that the respondent wished to provide to the valuer for the purposes of the valuation exercise could have been provided together when all the information had been provided or gathered. It was not necessary or reasonable to send multiple letters and emails to the valuer as indicated in the schedule for flat 59 and additional schedule.

63. Further it was noted that there were several inconsistencies on the additional schedule. For example, the notes to the letter on 14th July 2015 'engaged preparing draft letter to client' stated 'This letter provided the Landlord with a copy of the Counter Notice served on the Lessee in respect of the flat....'. This was not correct as the Counter Notice provided for flat 59 was dated 29th July 2015, and cannot therefore have served as stated. Similarly item 10 'Engaged preparing draft letter to valuer' 0.1 hours cost £42 was described as 'This letter provided the valuer with a copy of the Counter Notice served on the Lessee in respect of the flat.....' – when the Counter Notice produced was dated 29th July 2015, and had not been served as stated. This was inconsistent with the entry on 20th July 2015, an email, 'Engaged preparing email to valuer' at 0.01 hours at £5.88. It was stated in the description that - This email requested provision of the valuation report in respect to the flat in order for instructions to be obtained from the Landlord regarding the premium to be counter proposed be? Clearly

there was an inconsistency between the descriptions provided in the earlier communications which had indicated the Counter Notice had been served, and this email indicating that it had not been served. Further the additional schedule referred to finalising the Counter Notice on 29th July 2015 (which item has been disallowed for the reasons stated earlier), but which also indicates that the justification for the costs of the communications at items 3, 10 and 7 were not satisfactory and that the additional schedule was internally inconsistent with the explanations provided.

64. In the circumstances, the tribunal considers that the costs of the email to the valuer on 20th July 2015 are reasonable (item 12 on the schedule for flat 59) (£5.88). The other charges for communications to the valuer on the schedule for flat 59 (items 3 (£42), 7 (£42), 10 (£42) are disallowed for the reasons stated. In respect of the other flats, the items on 16th June 2015 – 'engaged preparing letter to valuer' (£42), 18th June 2015 – 'engaged preparing email to valuer' (£42) were disallowed for the same reasons. On these schedules there was no claim for a letter to the valuer on 14th July 2015, but an entry for an email on 29th July 2015 (£42). Only the email on 20th July 2015 to the lessees is considered reasonable. **The tribunal disallows the fees for the above reasons so that the charges are reduced in the case of each of the flats by £126.**

65. Undated Items 43 and 44 on the schedule for flat 59 are noted to be 'TBA' items. Item 43 was 'Anticipated time to deal with completion', the charge being 0.4 hours £132. Item 44 was 'correspondence' – 'Anticipated further correspondence' 0.3 hours £99. These charges were reflected on the schedules for the other flats. The tribunal had been informed that completion of the new leases had taken place on 13th July 2016. There was no breakdown of actual costs.

66. Miss Mather submitted that item 44 should not be recoverable as such costs were not recoverable under section 60. In respect of item 43, she submitted that the reasonable period for anticipated time to deal with completion should 2 units, not 4. The tribunal agrees with these submissions.

67. In the circumstances the tribunal disallows item 44 on the schedule for flat 59 and the equivalent items on the schedules for the other flats. The tribunal finds that 2 units were reasonable under item 43.

68. **The tribunal disallows the charges for item 44 for each of the flats which are each reduced by £99. The tribunal allows 2 units per flat under item 43, and the charges for this item are therefore reduced to £66 per flat. A total reduction of £165.**

Official Copy Disbursements

69. It was submitted on behalf of the respondent in respect of office copy entries obtained in respect of each of the flats on 29th July 2015, that it was good practice to obtain updated office copy entries for the relevant titles before service of the Counter Notice to ensure that there has been no change to the title structure and that there has not been an assignment of the flat by the lessee.

70. The tribunal does not consider that the charges for 17th June 2015 for office copy entries was a reasonable cost, the landlord's representatives having requested documentation on 16th June 2015 from the applicants' representatives, which request was complied with within the appropriate period.

The tribunal's decision – Official Copy disbursements

71. **The tribunal disallows the amounts for office copy entries dated 17th June 2015 in respect of each of the flats (pages 421, 422 and 424- 427)**

72. **The tribunal considers that obtaining the office copy entries on 29th June 2015 was not unreasonable. However, there was no satisfactory explanation for charging flat 59 a different amount than the other flats.**

73. **The total amount shown for the subject flats was £24 (pages 421, 422 and 424 - 437). The tribunal considers that this cost should be spread between the flats and that a reasonable charge would be £6 per flat.**

Economies of Scale

74. It was noted in the witness statement of Miss Wilson that the respondent's solicitors submitted in an email dated 14th April 2016 that there had been a general saving of £250 - £500 plus VAT per flat on their recoverable fees due to the matters being dealt with together. However it was not accepted that there had been such a saving.

75. She referred to the tribunal decision of *Rafiq & Sami v Greenside Property Limited,* in which the tribunal held that a 15% discount on fees was appropriate where three flats in the same building were dealt with together. Miss Wilson also referred to *Sinclair Gardens Investments (Kensington) Ltd v Wisbey [2016] UKUT 203 (LC)* which she stated confirmed that the landlord could reasonably have been expected to obtain a 20% discount on the costs that would have been applied if the transaction was a one-off transaction.

76. It was submitted that a discount of 20% would be appropriate where initially seven flats (leaseholders of 6 being parties to the application) were dealt with together.

77. Various previous decisions were provided at exhibit 'BP1'. Amongst these the tribunal was referred to three cases *Stealth Developments Limited v Daejan Estates Ltd (LON/00BH/0C9/2013/0036); Charulatta Bipin Ravani v Daejan Properties Limited (MR LON/00AQ/OC9/2015/0402; and Mr M Rubin v Faroncell (LON/OOAM/OC9/2016/0072),* as examples of cases where the legal fees of the Wallace LLP had been approved by the tribunal in similar amounts to those claimed. These cases were concerned with standard recoverable fees for a straightforward lease extension matter. The recoverable legal fees normally ranged from between £2250 to 2600 pus VAT. In the present case the recoverable legal fees sought are £250 - £600 plus VAT less. It was submitted that the amounts charged reflected that the applications were dealt with together where possible.

The tribunal's decision – economies of scale

78. Having considered the evidence and submissions the tribunal finds that the respondent has as shown on the schedules taken into account economies of scale where some items applied to all the lessees that proportionate charges were made. The tribunal does not consider that a further deduction (taking into account the items disallowed) should be made on this basis.

Summary of the tribunal's decision

79. The tribunal finds the recoverable amounts to be as follows:

Flat 59: Amount claimed £2117.04 (plus VAT and Land Registry fees)

Recoverable amount: £2117.04 less £36 (paragraph 50), less £84 (paragraph 56), less £126 (paragraph 64), less £165 (paragraph 68) amounting to £1706.04 plus VAT @20% = £2047.25

Plus Land Registry fees £6 (paragraph 73)

TOTAL: £2053.25

Flats 77, 113, 127, 130, 141: Amount claimed £2028.42 per flat (plus VAT and Land Registry fees)

Recoverable amount for each flat: £2028.42 less £36 (paragraph 50), less £126 (paragraph 64), less £165 (paragraph 68) amounting to £1701.42 plus VAT @ 20% = £2041.70

Plus Land Registry fees £6 (paragraph 73)

TOTAL: £ 2047.70

Name: Tribunal Judge Seifert

Date: 23rd September 2016

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).