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RENT ASSESSMENT PANEL  
(LEASEHOLD VALUATION  
TRIBUNAL)

LON/00AY/LSC/2005/0084

Property:- 127-138 & 145-150, Cranworth Gardens, London SW9 ONU

Landlord:- Business Flats Limited  
(Agent:- Willmotts Chartered Surveyors)

Tenants:- The Lessees of 18 Flats in the Property

TRIBUNAL MEMBERS

Mr A.J. ENGEL M.A. (Hons.) - Chairman  
Mr F. COFFEY F.R.I.C.S.  
Mr D. WILSON

DECISIONS

- A. The sum of £98,220-14 (Ninety eight thousand two hundred and twenty pounds and fourteen pence) is the reasonable cost of the (proposed) works specified in the Schedule of Works (dated October 2003) as amended (in accordance with the Tender Analysis set out on Page 59 of the bundle) - provided the works are carried out to a reasonable standard.
  
- B. If a cost of £98,220-14 is incurred in respect of works specified in the amended Schedule of Works (Page 59 of the bundle) which are carried out to a reasonable standard, a service charge in that sum will be payable by the Lessees of the 18 flats in the Building - in accordance with the proportions laid down by the formula in the Leases.

## REASONS

### The Leases

1. The property comprises 18 flats. We have seen a specimen lease; it provides that the Lessee must contribute to the service charge of the property in a proportion which is worked out on the basis of the rateable value of the particular flat.

### Background

2. In September 2003, Willmotts wrote to the Tenants (pursuant to Section 20 of the Landlord and Tenant Act 1985 - the Act) in respect of proposed external repairs and redecorations.
3. In October 2003, Willmotts drew up a 32 Page Schedule of Works (which we have seen) for work proposed to be done to the property. The General Description of the proposed works is as follows:-  
  
"Erection of scaffolding and scaffolding alarm system. External redecorations, flat roof recovering works, pitched roof repairs, masonry and render work repairs and other miscellaneous works."  
  
4. The Schedule provides for one contract between the Landlord and one Contractor.
5. By July 2004, five tenders had been received. The lowest was that from T.H.Kenyon & Sons, a firm known to the Tribunal as reputable.
6. As a result of representations from certain tenants, the Schedule of Works was varied - so that certain items were omitted and in 2005, a (further) tender analysis was drawn up. It is at page 59 of the bundle. Certain items were removed from the Schedule of Works and T.H.Kenyon's tender is reduced - so that the total amount quoted (including fees and VAT) is £98,220-14.

## The Application

7. By written application, dated 11<sup>th</sup> April 2005, Willmotts (on behalf of the Landlord) applied to the Tribunal, pursuant to Section 27(A)(3) of the Act for a "certificate of reasonableness" in respect of the cost of the proposed works.

## Pre-Trial Review

8. A Pre-Trial Review (PTR) was held on 14<sup>th</sup> October 2005, attended by Mr Walburn of Willmotts and 2 tenants representing all of the Lessees.
9. At the PTR, the parties agreed that works to the exteriors and roofs of the property were required but the following issues were identified:
  - (i) whether the statutory consultation requirements had been complied with;
  - (ii) whether the cost proposed was excessive, having regard to the suggestion that another contractor (Mr D.J.Hickey) was willing to carry out the work at a lower price;
  - (iii) whether the proposed works to the roof were reasonable or overspecified;
  - (iv) whether it was necessary to provide an independent scaffold in connection with the subject works.
10. Directions were given at the PTR, requiring Willmotts to liaise with Mr Hickey and to give serious consideration to his quotation.
11. Other Directions were given including a Direction that the matter would be determined without an oral hearing (unless either party requested an oral hearing)

## Inspection

12. The Tribunal inspected the property on the morning of 9<sup>th</sup> January 2006 in the presence of 2 representatives from Willmotts; there was no attendance by or on behalf of any tenant.
13. We found the subject block to comprise an inner terraced dwelling house of brick and slate construction, arranged over three floors and evidently erected in the last years of the nineteenth century. In more recent years, it has been converted into flats.

The front elevation is faced with a painted mortar render, under a pitched roof covered with artificial roofing slates.

To the rear, the elevations are generally faced with yellow London stock bricks laid in Flemish bond.

The rear addition, arranged on three floors, lies under a flat pitched roof, laid to steps and falls. This is suggestive of its previously having been covered with sheet lead. Currently, it is covered with a "built-up felt" system, in poor condition.

It was clear to the Tribunal that renewal of this covering was required and, further that in order to effect this renewal and associated repairs to flashings, parapets, copings etc., that erection of an independent scaffold is required.

## Consideration

14. After the inspection, the Tribunal returned to the Tribunal offices and considered the written representations of the parties.
15. The evidence before us established that Willmotts had liaised with Mr Hickey who had been invited to complete tender documents but had not done so.
16. The Tribunal also noted that Mr Hickey was proposing 3 contracts as opposed to the one contract specified in the Schedule of Works (see Paragraph 3 above).

## Findings

17. The Tribunal considers that one contract is both normal and best practice.
18. In the opinion of the Tribunal, the Schedule of Works in its amended form (Page 59 of the bundle) specified only works which were reasonably required.
19. Having regard to the higher tenders received and its own general knowledge and expertise, the Tribunal considers that £98,220-14 is the reasonable cost of the works in the amended Schedule of Works (Page 59 of the bundle).

## Determination

20. The Tribunal determines:-

- (i) That the consultation requirements (set out in Section 20 of the Act and the relevant Regulations) have been met;
- (ii) That Willmotts acted reasonably in rejecting Mr Hickey's quotation;
- (iii) That the proposed works to the roof are reasonable - and not overspecified;
- (iv) That it is necessary to provide a scaffold to gain access to the roofs of the building;
- (v) That the sum of £98,220-14 is the reasonable cost of the proposed works specified in amended Schedule of Works (Page 59 of the bundle) - provided, of course, that the works are carried out to a reasonable standard.

## Conclusion

21. If a cost of £98,220-14 is incurred in respect of the works specified in the amended Schedule of Works (Page 59 of the bundle) which are carried out to a reasonable standard, a service charge in that sum will

be payable by the Lessees in accordance with the proportions laid down by the formula in the Leases.

SIGNED

A handwritten signature in black ink, appearing to read "A. J. Engel". The signature is written in a cursive style with a prominent initial "A" and a long, sweeping underline.

(A.J.ENGEL - Chairman)

DATED - 27<sup>th</sup> January 2006