

Administration Charges- Summary of tenants' rights and obligations

(1) This summary, which briefly sets out your rights and obligations in relation to administration charges, must by law accompany a demand for administration charges. Unless a summary is sent to you with a demand, you may withhold the administration charge. The summary does not give a full interpretation of the law and if you are in any doubt about your rights and obligations you should seek independent advice.

(2) An administration charge is an amount which may be payable by you as part of or in addition to the rent directly or indirectly —
for or in connection with the grant of an approval under your lease, or an application for such approval;
for or in connection with the provision of information or documents in respect of your failure to make any payment due under your lease; or
in connection with a breach of a covenant or condition of your lease.

If you are liable to pay an administration charge, it is payable only to the extent that the amount is reasonable.

(3) Any provision contained in a grant of a lease under the right to buy under the Housing Act 1985, which claims to allow the landlord to charge a sum for consent or approval, is void.

(4) You have the right to ask a First-tier Tribunal whether an administration charge is payable. You may make a request before or after you have paid the administration charge. If the tribunal determines the charge is payable, the tribunal may also determine—
who should pay the administration charge and who it should be paid to;
the amount;
the date it should be paid by; and
how it should be paid.

However, you do not have this right where—
a matter has been agreed to or admitted by you;
a matter has been, or is to be, referred to arbitration or has been determined by arbitration and you agreed to go to arbitration after the disagreement about the administration charge arose; or
a matter has been decided by a court.

(5) You have the right to apply to a First-tier Tribunal for an order varying the lease on the grounds that any administration charge specified in the lease, or any formula specified in the lease for calculating an administration charge is unreasonable.

(6) Where you seek a determination or order from the First-tier Tribunal, you will have to pay an application fee and, where the matter proceeds to an oral hearing, a hearing fee, unless you qualify for fee remission or exemption. Making such an application may incur additional costs, such as professional fees, which you may have to pay.

(7) The First-tier Tribunal and the Upper Tribunal (in determining an appeal against a decision of the First-tier Tribunal) have the power to award costs in accordance with section 29 of the Tribunals, Courts and Enforcement Act 2007.

(8) Your lease may give your landlord a right of re-entry or forfeiture where you have failed to pay charges which are properly due under the lease. However, to exercise this right, the landlord must meet all the legal requirements and obtain a court order. A court order will only be granted if you have admitted you are liable to pay the amount or it is finally determined by a court, a tribunal or by arbitration that the amount is due. The court has a wide discretion in granting such an order and it will take into account all the circumstances of the case.

SERVICE CHARGES-SUMMARIES OF RIGHTS AND OBLIGATIONS FOR ENGLAND ONLY FROM JULY 1ST 2013
Summary of tenants' rights and obligations

(1) This summary, which briefly sets out your rights and obligations in relation to variable service charges, must by law accompany a demand for service charges. Unless a summary is sent to you with a demand, you may withhold the service charge. The summary does not give a full interpretation of the law and if you are in any doubt about your rights and obligations you should seek independent advice.

(2) Your lease sets out your obligations to pay service charges to your landlord in addition to your rent. Service charges are amounts payable for services, repairs, maintenance, improvements, insurance or the landlord's costs of management, to the extent that the costs have been reasonably incurred.

(3) You have the right to ask a First-tier Tribunal to determine whether you are liable to pay service charges for services, repairs, maintenance, improvements, insurance or management. You may make a request before or after you have paid the service charge. If the tribunal determines that the service charge is payable, the tribunal may also determine—

who should pay the service charge and who it should be paid to;

the amount;

the date it should be paid by; and

how it should be paid.

However, you do not have these rights where—

a matter has been agreed or admitted by you;

a matter has already been, or is to be, referred to arbitration or has been determined by arbitration and you agreed to go to arbitration after the disagreement about the service charge or costs arose; or

a matter has been decided by a court.

(4) If your lease allows your landlord to recover costs incurred or that may be incurred in legal proceedings as service charges, you may ask the court or tribunal, before which those proceedings were brought, to rule that your landlord may not do so.

(5) Where you seek a determination from the First-tier Tribunal, you will have to pay an application fee and, where the matter proceeds to an oral hearing, a hearing fee, unless you qualify for a fee remission or exemption. Making an application may incur additional costs, such as professional fees, which you may also have to pay.

(6) The First-tier Tribunal and the Upper Tribunal (in determining an appeal against a decision of the First-tier Tribunal) have the power to award costs in accordance with section 29 of the Tribunals, Courts and Enforcement Act 2007.

(7) If your landlord—

proposes works on a building or any other premises that will cost you or any other tenant more than £250, or proposes to enter into an agreement for works or services which will last for more than 12 months and will cost you or any other tenant more than £100 in any 12 month accounting period, your contribution will be limited to these amounts unless your landlord has properly consulted on the proposed works or agreement or the First-tier Tribunal has agreed that consultation is not required.

(8) You have the right to apply to the First-tier Tribunal to ask it to determine whether your lease should be varied on the grounds that it does not make satisfactory provision in respect of the calculation of a service charge payable under the lease.

(9) You have the right to write to your landlord to request a written summary of the costs which make up the service charges. The summary must—

cover the last 12 month period used for making up the accounts relating to the service charge ending no later than the date of your request, where the accounts are made up for 12 month periods; or

cover the 12 month period ending with the date of your request, where the accounts are not made up for 12 month periods. The summary must be given to you within 1 month of your request or 6 months of the end of the period to which the summary relates whichever is the later.

(10) You have the right, within 6 months of receiving a written summary of costs, to require the landlord to provide you with reasonable facilities to inspect the accounts, receipts and other documents supporting the summary and for taking copies or extracts from them.

(11) You have the right to ask an accountant or surveyor to carry out an audit of the financial management of the premises containing your dwelling, to establish the obligations of your landlord and the extent to which the service charges you pay are being used efficiently. It will depend on your circumstances whether you can exercise this right alone or only with the support of others living in the premises. You are strongly advised to seek independent advice before exercising this right.

(12) Your lease may give your landlord a right of re-entry or forfeiture where you have failed to pay charges which are properly due under the lease. However, to exercise this right, the landlord must meet all the legal requirements and obtain a court order. A court order will only be granted if you have admitted you are liable to pay the amount or it is finally determined by a court, tribunal or by arbitration that the amount is due. The court has a wide discretion in granting such an order and it will take into account all the circumstances of the case.

INVOICE

In accordance with S.47/48 of the Landlord and Tenant Act 1987, the Landlord's address for the service of any Notice is:

The Wellcome Trust
Gibbs Building, 215 Euston Road
London NW1 2BE



Managing Agents for your Landlord

Contact
Accounts:
Surveyor:

Main Tel: 020-7629-8171 Fax: 020-7861-5157
Mr N Gowreesan 020 7861 1169
Mr J Coddington 020 7861 1101

Hana Christie
2A Onslow Square
London SW7 3NP

Date	09/03/2017
VAT no.	744 4952 11
Tenant Ref	009548/013289
Invoice No.	448437

Premises: 2A Onslow Square London SW7 3NP

Due Date	Description	From	To	Amount	VAT Code	VAT %	VAT Amount
09/04/2017	Legal & Surveyors fees due pursuant to the Lease			94,905.39	E		0.00
	Total Arrears			5,312.14			0.00

DEFECTIVE PREMISES ACT 1972

This act increases a landlord's potential liability where damage or injury is caused by disrepair. It is essential that you report immediately to us as your landlord's Managing Agents any defect or item of disrepair which might give rise to liability under the Act.

IMPORTANT - PLEASE NOTE THE REMITTANCE DETAILS

Interest may be charged on late payment.
Please return the remittance slip to 55 Baker Street, London, W1U 8AN.
Please note that all dishonoured cheques may incur an Administration Fee.
Acceptance of payment from a person or company who is not the person named as Tenant does not imply recognition of that party as Tenant. Payments made by such a third party are only accepted on the basis that the third party is acting as Agent for the Tenant. Please ignore this demand if your payment has been sent within the last five days, or has been paid by standing order or bank transfer.
Knight Frank is a Limited Liability Partnership.

TOTAL

100,217.53

ADD VAT

AMOUNT DUE

100,217.53

- 1 - 17.5%
- 2 - 8.0%
- 3 - 5.0%
- 4 - 15.75%
- 5 - 15.0%
- 6 - 20.0%
- E - Exempt
- O - Out of Scope
- Z - Zero Rated

Cheques should be made payable to : Knight Frank LLP



Remittance Advice

Please detach and return this with your payment

From: Hana Christie
2A Onslow Square
London SW7 3NP

To: Property Accounts Department
Knight Frank LLP
55 Baker Street
London W1U 8AN

Ref: 009548/013289

Cheques should be made payable to :
Knight Frank LLP

Total Arrears

448437

09/03/2017



Amount Due GBP

100,217.53

Item	Description	Total (incl. VAT)
2.	Compilation of management fee invoices, service charge and reserve invoices for flat and garden from 2011 – 2016, compilation of year end expenditure for Onslow Square Garden and arranging files in order of the expenditure accounts and the numbering of invoices in accordance with expenditure list for review/copy by the tenant.	£5,976
3.	Preparing the expenditure and invoices for June 2014 to June 2016.	£2,534.40
4.	Correspondence with CMS relating to the application	£3,240
5.	Commenting on the schedule prepared by the tenant	£12,840
6.	Preparation of witness statements	£981
7.	Attending conference with Counsel	£1,230
8.	Attendance at day 1 of hearing on 8 June 2016	£4,590
9.	Attendance at day 2 of hearing on 11 July 2016	£4,320
10.	Attendance at day 3 of hearing on 14 July 2016	£4,050
11.	Attendance at inspection with Tribunal panel	£420
12.	Disbursements	£23
	TOTAL	£42,724.40

4. TOTAL COSTS CLAIMED

Organisation	Total (incl. VAT)
CMS	£56,311.44
Counsel	£15,740
Knight Frank	£42,724.40
GRAND TOTAL	£114,775.84
Proportion attributed to recovery of service charge arrears (83% as application concerned 83% service charge arrears)	£95,263.95
Less 17% of Rule 13 Award of £432 (previously paid by tenant)	-£358.56
TOTAL COSTS CLAIMED	£94,905.39

Item	Description of work	(A) hours	(B) hours	(C) hours	(D) hours	Total (inc. VAT)
23.	Correspondence with client and Counsel following day 1 of hearing		0.8	1.2		£619.20
24.	Attendance at day 2 of hearing on 11 July 2016			9.00		£2,700.00
25.	Correspondence with client and Counsel following day 2 of hearing		0.5	0.9		£450.00
26.	Attendance at day 2 of hearing on 14 July 2016			8.50		£2,550.00
27.	Correspondence with client and Counsel following day 3 of hearing			0.5		£150.00
	TOTAL					£56,311.44

2. COUNSEL'S FEES

Item	Description	Total (incl. VAT)
1.	Preparation for and attendance at case management conference (approx.. 7 hours, agreed fee of £850 plus VAT)	£1,070
2.	Settling Statement of Case	£2,100
3.	Reviewing witness statements and advising on disclosure	£270
4.	Advising in conference and brief fee in respect of representing The Wellcome Trust at day 1 of the hearing	£6,000
5.	Brief fee in respect of representing The Wellcome Trust at day 2 of the hearing	£4,500
6.	Refresher brief fee in respect of representing The Wellcome Trust at day 3 of the hearing	£1,800
	TOTAL	£15,740

3. KNIGHT FRANK'S FEES

Item	Description	Total (incl. VAT)
1.	Compilation of service charge invoices and reserve invoices for the relevant period.	£2,520

Item	Description of work	(A) hours	(B) hours	(C) hours	(D) hours	Total (inc. VAT)
	of case.					
8.	Conference with Counsel following receipt of Instructions		2.1	3.9		£1,926.00
9.	Correspondence with the tenant regarding disclosure of documentation.		0.3	5.2		£1,668.00
10.	Advising the client regarding disclosure of documentation.		0.4	2.91	8.13	£2,215.44
11.	Reviewing bundles of documents received from the tenant (total 19).		0.7	0.4		£362.40
12.	Reviewing tenant's lengthy statements of case and reporting to the client.			6.2		£1,711.20
13.	Input required for drafting the client's statements of case			5.8		£1,600.80
14.	Preparing responses to itemised schedule of service charges challenged prepared by tenant		1.7	12.9		£4,172.40
15.	General advice to client regarding strategy in relation to dealing with the application.	0.3	3.3	0.7		£1,518.00
16.	Email correspondence with Knight Frank to obtain information and input in relation to the application.		0.8	1.2		£619.20
17.	Advising client regarding responding to correspondence received directly from tenant.		1.8	0.1		£675.60
18.	Preparation for and drafting witness statements		10.79	46.38		£16,685.28
19.	Preparation of bundles for hearing including drafting a bundle index and corresponding with the tenant seeking to agree a bundle of documents.		1.0	10.53		£3,266.28
20.	Preparation for and attendance at pre-hearing conference with Counsel		3.22	4.3		£2,346.00
21.	Preparations for hearing			5.10		£1,407.60
22.	Attendance at day 1 of hearing on 8 June 2016			9.00		£2,484.00

2A ONSLOW SQUARE
SCHEDULE OF COSTS INCURRED IN DEALING WITH APPLICATION
LON/00AW/LSC/2016/0035: HEARING – 8 JUNE, 11 JULY AND 14 JULY 2016

1. CMS' LEGAL FEES

	Name	Level	Hourly Rate
(A)	Danielle Drummond-Brassington	Partner	£380
(B)	Eleanor Murray	Senior Associate	£300
(C)	Jessica Slack N.B. Some Time in column C is in the name of Sarah Ellison at a rate of £250 dealing with the matter while Jessica was on annual leave. Column C time at the higher rate of £250 per hour is shaded grey.	Lawyer (to 30 June 2016) Associate (from 1 July 2016)	£230 (to 30 June 2016) £250 (from 1 July 2016)
(D)	Trainee	Trainee	£130

Item	Description of work	(A) hours	(B) hours	(C) hours	(D) hours	Total (inc. VAT)
1.	Application received from client, detailed review of application including the sums challenged, analysing the compromise position in respect of sums already settled.		0.48	3.33	0.59	£1,183.92
2.	Meeting with client and Knight Frank to discuss the Application.			2.06		£568.56
3.	Drafting Instructions to Counsel together with bundle of documents.			5.20		£1,435.20
4.	Telephone conference with Counsel following the two hour case management conference and advising client of next steps following case management conference	0.2	0.2	2.34		£809.04
5.	Advising client correspondence received from tenant.		0.59	1.67		£673.32
6.	Corresponding with the Tribunal in response to correspondence received from the tenant, particularly in relation to disclosure.		0.3	1.5		£558.00
7.	Instructing Counsel in relation to the statements		0.1	6.4		£1,956.00

For the avoidance of doubt, this sum does not include the costs incurred by our client in dealing with and responding to your unsuccessful applications to the First-tier Tribunal and the Upper Tribunal for permission to appeal.

Our client's costs incurred in dealing with and defending the Application are reasonable in amount and were reasonably incurred. Our client's case was dealt with by a junior lawyer at CMS along with junior Counsel.

The costs of £114,775.84 are broken down as follows and are set out in detail in the schedule enclosed with this letter:

1. £56,311.44 in respect of Solicitors' costs;
2. £15,740 in respect of Counsel's costs; and
3. £42,724.40 in respect of Surveyors' costs.

At this point, we are instructed to seek payment of the costs incurred by our client in connection with the recovery of the service charge arrears only. We have calculated these costs to be £95,263.95 (inclusive of VAT). We enclose a demand for payment of these costs together with a summary of tenant's rights and obligations.

We confirm that we have deducted the relevant proportion of the sum of £432 awarded to our client by the Tribunal pursuant to Rule 13 of the First-tier Tribunal Rules 2013.

Please confirm within 14 days of the date of this letter:

1. that you accept that you are liable, pursuant to clause 3.5 of the Lease, to pay our client's costs in connection with the recovery of arrears of rent; and
2. that you accept that this liability extends to costs incurred by our client in recovering those arrears of rent by successfully defending the Application which sought to avoid payment of service charge for an 18 month period.

In the event that we do not receive your confirmation within 14 days of this letter as requested above, our client reserves its right to take further action to recover its reasonable costs from you.

We await hearing from you.

Yours faithfully



CMS Cameron McKenna LLP

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E jessica.slack@cms-cmck.com

13 March 2017

By HandMs H Christie
2A Onslow Square
London
SW7 3NP**Our ref**

JESL/DLD/CAP/0W0107.06379

Dear Madam

2A Onslow Square, London SW7 3NP (the "Premises")**Application to the Tribunal pursuant to Section 20(C) and Section 27(A) of the Landlord and Tenant Act 1985 with Tribunal Reference: LON/00AW/LSC/2016/0035 (the "Application")****Leased dated 21 June 1991 between (1) The Official Custodian for Charities (2) The Trustees of Henry Smith's Charity and (3) Graham Charles Pewter and Suzie Ellen Pewter (the "Lease")**

We write further to the determination of the Application dated 15 September 2016 and the subsequent refusal of the applications for permission to appeal dated 7 November 2016 and 5 December 2016.

Pursuant to clause 3.5 of the Lease, you covenanted to pay to the Lessors all costs, charges and expenses including Solicitors' and Counsels' costs and fees and the cost and fees of the Surveyor at any time during the Term incurred by the Lessors in connection with the recovery of arrears of rent.

Your Application challenging the reasonableness of service charges (which are reserved as rent under the Lease) was determined almost entirely in our client's favour. Only a minor deduction of £187.04 was made in respect of the garden charges. The Tribunal determined that all other sums for the period from 24 June 2014 to 25 December 2015 (the "Period") were payable by you. No deduction was made by the Tribunal in respect of the service charges demanded by our client.

In dealing with the Application, our client has incurred total costs of £114,775.84 (inclusive of VAT) from receipt of the Application in January 2016 up to and including the inspection by the Tribunal panel following the three day hearing.

UK - 217458443.1

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