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

Case Reference : LON/00BK/LCP/2014/0007

Property : Dudley House, Westmoreland Street,
London W1G 8PW

Applicant : Howard de Walden Estates Ltd

Representative : Speechly Bircham LLP

Respondent : Dudley House Marylebone RTM Co Ltd

Representative : Griffin Smith Farrington Webb LLP

Type of Application : Costs payable under s.88 Commonhold
and Leasehold Reform Act 2002

Tribunal : Judge Nicol

Date of Decision : 25th July 2014

DECISION

Decision of the Tribunal

The Tribunal has determined that the reasonable costs incurred by the Applicant in consequence of the claim notice given by the Respondent would amount to no more than £1,296 plus VAT (total: £1,555.20).

The Tribunal's reasons

1. The Respondent has exercised the right to manage under Chapter 1 of Part 2 of the Commonhold and Leasehold Reform Act 2002. The relevant parts of section 88 state:

Costs: general

- (1) A RTM company is liable for reasonable costs incurred by a person who is—
 - (a) landlord under a lease of the whole or any part of any premises,
 - (b) party to such a lease otherwise than as landlord or tenant, or
...
in consequence of a claim notice given by the company in relation to the premises.
 - (2) Any costs incurred by such a person in respect of professional services rendered to him by another are to be regarded as reasonable only if and to the extent that costs in respect of such services might reasonably be expected to have been incurred by him if the circumstances had been such that he was personally liable for all such costs.
 - (3) ...
 - (4) Any question arising in relation to the amount of any costs payable by a RTM company shall, in default of agreement, be determined by a leasehold valuation tribunal.
2. The Applicant has applied for their costs in the sum of £2,878.74, inclusive of VAT. In accordance with the Tribunal's directions of 6th June 2014, written representations have been received by letters dated 25th June and 9th July 2014 from the Applicant's solicitors and 4th July 2014 from the Respondent's solicitors. The Tribunal has proceeded to determine the application on the papers, without a hearing.
 3. The Applicant's submissions helpfully provided a detailed breakdown of the work carried out by their solicitors. The work was done by two partners charged out at an hourly rate £391.50 and a junior solicitor (qualified in September 2011) at £216.
 4. Responding to an RTM claim can be time-consuming but is not complicated. The Tribunal cannot see any reason for involving such senior partners on this particular case. A general system of supervision of junior members of staff is part of the overheads of running a business and not separately chargeable in these circumstances.
 5. By the Tribunal's calculation, leaving out the supervisory elements reduces the time spent to 6 hours. An hourly rate of £216 is certainly not at the lower end but is well within the range of reasonable rates. 6 hours at £216 produces a figure of £1,296, to which VAT must be added.

Name: NK Nicol

Date: 25th July 2014