

Mr D Stewart
Clerk to the Tribunal
Leasehold Valuation Tribunal
London Rent Assessment Panel
10 Alfred Place
London WC1E 7LR

Ms N K-Dit-Rawé
3 Jefferson House
11 Basil Street
London SW3 1AX

Your Ref: LVT/SC/007/120/02

25 November 2002

(Sent special delivery)

This letter was also sent to Martin Russell Jones, 5 Watford Way, Hendon Central, London NW4 3JL

Dear Mr Stewart

**Flat 1-35 Jefferson House, 11 Basil Street, London SW3
Landlord and Tenant Act 1985 – Section 19 (2a)**

This letter is in response to action number (1) in the summary produced by yourself / Mr Sharma following the pre-trial meeting on 29 October, namely:

“The respondents will send a reply to the application to the applicants and a copy to the Tribunal by 26 November 2002. The reply must list each item of the proposed work that is in dispute; stating fully the reasons for each item disputed. The reply should include all relevant information and supporting evidence which are to be considered by the Tribunal”

In preparation for the pre-trial hearing on 29 October I sent a letter supported by a comprehensive set of appendices. As I have determined from you that it is not necessary for me to send these again – at this stage – I am attaching the original list to which I will refer, as required, by the document number.

1 Works in dispute

As an introduction, and as stated previously, I do not dispute that works are required at Jefferson House – at least, from what I can see, the common parts need to be redecorated.

1.1 **It is impossible for me to answer your question** *“the reply must list each item of the proposed work that is in dispute, stating fully the reasons for each item disputed”* – as, other than the lump sum of £736,206.09 (from which my share of £14,400.19 was calculated) **I have not been provided with any information whatsoever on the nature of the works to be carried out for this amount. Hence, I am unable to ascertain what the works are and the costs and hence, the reasonableness of the costs.**

1.1.1 The 15 July 2002 letter from MRJ (# 17) does not provide a description of the works i.e. **no justification for the works has been shown.** The summary of tender (which has been tampered with) attached to the letter is not, as stated by MRJ, from Killby and Gayford, but from the third firm, C.I.C. Contractors. I pointed this out in my (recorded delivery) letter of 16 September 2002 to MRJ (# 18). Hence, there is **breach of Section 20(4)(b).**

Following on from this letter, the next communication I received from MRJ, dated 20 September (# 21), totally ignored my letter to them of 16 September. The main message was: *“we have to require payment by return. We must inform you that if payment is not made now our client, Steel Services Limited, will have no alternative other than to instruct solicitors to commence legal proceedings to obtain payment”*.

This was followed by a letter from Cawdery Kaye Fireman & Taylor (CKFT), dated 7 October (# 22), posted 8 October, received 10 October demanding that I pay £14,400.19 by 10 a.m on 14 October, otherwise they were instructed to immediately commence proceedings for recovery of the debt. Of course, no reference was made to my legitimate request for a breakdown of the works proposed and the associated charges.

For good measure, in their last paragraph, CKFT stated *“Our client also reserves the right to take action to forfeit your lease for breach of covenant and to communicate with your mortgagee (if any), if such action becomes necessary”*.

Thus, all I have received in reply to my legitimate request (both, under Section 20 of the Landlord and Tenant Act 1985 and my lease) are threats clearly intended to cause torment, distress and anguish in the hope that I would be bullied into paying the sum demanded.

- 1.2 As to the **supposition that the firm of Killby and Gayford based their costing on the condition survey undertaken by Brian Gale Associates and partnering firm, Michael Jones Associates, this may, or may not be the case.** Indeed, given that no description whatsoever on the nature of the works to be carried out has been provided to justify the sum demanded, for all I know, Killby and Gayford’s costing of £736,206.09 may have been based on an entirely different brief from MRJ/associated parties. Related to this point:
 - 1.2.1 A document, with a green cardboard cover, in landscape format, purporting to represent the specifications for the works (not costed) was available for viewing at the porter’s lodge in September (maybe also before). For nearly three weeks in October the Porter said to no longer have the report. On 26 October, when he told me that it had been returned, the report that he showed me was totally different in appearance from the previous one: it had an acetate cover; was in portrait format; had a front page stapled to it “Specifications”, followed by a page stating Brian Gale Associates; was considerably thinner than the previous report.
 - 1.2.2 The fact that the summary of tender produced by C.I.C. Contractors (attached to MRJ’s letter of 15 July 2002) (# 17) was tampered with (the sum of £160,307 for ‘Services’ has been crossed-out and replaced by £406,537) further adds to my concern about the nature of the major works and costs.
- 1.3 In light of the above – at this stage - I am limited to the following arguments for challenging the costs:
 - 1.3.1 The current **sum demanded of £736,206.09 is nearly half the declared value of the building** (document # 19 - Norwich Union insurance policy which gives a declared value of £1,785,000 at December 2000).

Are MRJ/associated parties currently suggesting that half the building needs to be rebuilt?
 - 1.3.2 The current sum demanded is c. five times that of previous refurbishments.
 - 1.3.3 I very strongly believe that the overall intent is to eventually charge residents twice this amount i.e. £1.5 million. This belief is based on the following:

- 1.3.3.1 MRJ's letter of 26 March 2002 (# 20) to the residents states that ***"The surveyors have indicated that the cost of the works is likely (!!!) to be in excess of £1 million + VAT and fees"***. With the addition of their fees, plus VAT, this would bring the total to c. £1.5 million i.e. nearly the full declared value of the building (£1.785 million) (and thereby making my share – (for a studio flat!) c. £30,000).
- 1.3.3.2 MRJ's letter of 15 July 2002 (# 17) to the residents stating that the sum quoted may be exceeded due to ***"subsequent changes in the specifications"*** which, of course, is totally unacceptable (e.g. the court case of Martin vs. Maryland Estate).
- 1.4 It is also my belief – at this stage - given the lack of information - that this exorbitant sum is due to the intention to build an extra floor for a penthouse flat and associated costs for which, of course, I am not liable. The fact that a three-year old planning application was renewed in February of this year indicates a clear intention to build the penthouse flat. (Planning applications are valid for five years).

(I should add that this planning application is in breach of the lease as the addition of an extra floor will lead to the building exceeding the maximum height specified in the lease).

- 1.5 The demand for the contribution to the works does not comply with the lease, in terms of:
- timing (it should be either in June or in December)
 - requirement to be certified by a chartered accountant
- as detailed in section 2(d) of the lease.
- 1.6 The contingency fund – for which we finally received details 10 days ago and said to amount to £119,823.64 at year end 2001 - has not been used as contribution towards the cost. **Why not?** Under the Landlord and Tenant Act – and the terms of my lease - this is precisely the purpose of a contingency fund.

2 Identity of the landlord and directors for the headlease

- 2.1 In my previous letter of 21 October 2002 to the LVT I reported in detail that the identity of the landlord for Jefferson House – and concurrently that of the directors - is unclear. I also included a letter from the British Virgin Islands Financial Authorities of 8 August 2002 stating that Steel Services Limited had been struck-off their register for non-payment of the licence fee.
- 2.2 About two weeks ago, CKFT sent Sandy McDougall, Tenancy Relations Officer at the Kensington & Chelsea town hall a 'Certificate of Good Standing' for Steel Services they obtained from the British Virgin Islands Financial Authorities.
- 2.3 At the LVT pre-trial hearing on 29 October, Joan Hathaway of MRJ first said that she could *"...never remember the name of the directors..."* for Steel Services. Then said *"It's some company in the British Virgin Islands, F.M.C. something"*. When asked by the residents how she could be taking directions for the management of the block, including major works, given that she did not know the name of the directors, her reply was that she took directions from somebody at CKFT.
- 2.4 My 5 November 2002 demand for the service charge sent by MRJ states: *"Landlord: Steel Services Ltd, PO Box 258, Malzard House, 15 Union Street, St Helier, JE4 8T"*. The Jersey Financial Authorities have confirmed (on two occasions) that they do not have on their register a company called Steel Services.
- 2.5 Who is the current, true, registered landlord of Jefferson House?

3 In conclusion, I would very much appreciate the following assistance from the Tribunal:

- 3.1 Given the events I have related in sections 1.1 to 1.8 above, to ensure I am provided with a detailed copy of the specifications for all the proposed works i.e. building works, as well as services works ie. Mechanical, Electrical and Lift services – **fully costed**.
- 3.1.1 As I intend to seek expert opinion on the report(s), to ensure that MRJ/associated parties cooperate in this process. In particular, this will require allowing access to/being able to view parts of the building and installations that have been identified as requiring works/replacement to be carried out. To define the basis on which this can be done.
- 3.2 To obtain a detailed schedule of contributions towards the £736,206.09 costs so far received from the 35 flats in the block, namely:
 - 3.2.1 Amount paid – and the number of the flat for which this has been paid
 - 3.2.2 Evidence from the financial organisation where the account is held that the monies – stated in the schedule (ie. as per 3.2.1 above) - have been received – giving details of payment ie. amount and date paid in.
- 3.3 To obtain the current value of the contingency fund – and to ensure that the fund is used as contribution towards the costs of the major works. In the process, to consider MRJ/associated parties' position on this relative to the Act and implications for the Lessees.
- 3.4 To obtain a legally binding undertaking that the penthouse flat will not be built.
- 3.5 To obtain up-to-date documentary evidence establishing the status of Steel Services Limited as landlord for Jefferson House ie. registered proprietor - for the purposes of the Landlord and Tenant Act 1985.
- 3.6 For each flat:
 - 3.6.1 name of the legal owner - with corresponding flat number
 - 3.6.2 identification of all the flats owned by individuals/companies connected with the headlease and the freehold ownership – with corresponding flat number – (so that the residents can form a recognised Residents Association i.e. status endorsed by the Rent Assessment Committee).
- 3.7 To obtain a copy of the current contract between MRJ and the landlord.
- 3.8 To determine whether MRJ has professional indemnity insurance. If so, to determine the amount of insurance cover in relation to monies held for pre-payment e.g major works for Jefferson House – and restrictions, if any, attached to this cover.

Thank you for your consideration and assistance

Best regards

N K-Dit-Rawé

Enclosures: Attached to my previous letter to the LVT, dated 21 October 2002

- 1 Government of the British Virgin Islands, Register of Companies, 8 August 2002
- 2 Nucleus, 5 November 2001 letter to MRJ requesting name of directors and secretary

- 3 MRJ reply to Nucleus, 7 November 2001, stating they do not know the names of the directors
- 4 Sandy McDougall, Tenancy Relations Officer, RBK&C, 8 January 2002
- 5 MRJ reply to Mr McDougall, 14 January 2002, that they do not have the names of the directors
- 6 Sandy McDougall, letter to Steel Services, 17 January 2002, requesting information
- 7 MRJ reply, 25 January 2002, that the names of the directors are F.M.C. Ltd, British Virgin Islands
- 8 Sandy McDougall, 5 March 2002, emphasises that giving F.M.C. as being the names of the directors and secretary for Steel Servies does not achieve the purpose of the Act
- 9 Cawdery Kaye Fireman & Taylor (CKFT), 1 August 2002, reply to Mr McDougall that "... Steel Services is an existing entity... "
- 10 Sandy McDougall, 29 July 2002, letter to CKFT stating cannot find Steel Services, requests name and address of landlord for Jefferson House
- 11 Sandy McDougall, 12 August 2002, letter to MRJ, stating cannot find Steel Services, requests name and address of landlord for Jefferson House
- 12 Sandy McDougall, 3 September 2002, request company registration number for Steel Services, address and asks MRJ to explain their non-compliance with the Act
- 13 Sandy McDougall, 8 October 2002, Steel Services cannot be found by Companies House and states that MRJ is liable to prosecution
- 14 Land Registry, Jefferson House Limited
- 15 Central London County Court, Claim # CL 201 770
- 16 Land Registry, Steel Services + Patrick May O'Connor + Canso Properties
- 17 MRJ, 15 July 2002 asking for £14,400.19
- 18 My reply to MRJ, 16 September 2002 requesting details as no justification for the works has been shown
- 19 Norwich Union insurance policy, 31 December 2000
- 20 MRJ, 26 March 2002 letter stating the cost of the works is likely to be in excess of £1 million + VAT + their fees
- 21 MRJ letter, 20 September 2002, threatening me with legal proceedings
- 22 CKFT, 7 October 2002 threatening legal proceeding on Monday 14 October by 10 am unless I pay all outstanding charges, including £14,400.19
- 23 My reply to CKFT, 17 October 2002
- 24 Identification of inaccuracies in MRJ statement of my outstanding service charges
- 25 Invoice from Frank Morris Associates and related correspondence with MRJ
- 26 Year-end accounts 2000
- 27 Nucleus, 29 October 2001, highlighting that the document, but an engineering report
- 28 Completed form for the LVT pre-trial 29

SU 5185 94921GB	Postcode complete if full	Building name, number, and street	Name
	W.C.I.E.T.L.R.	18th/19th/20th Floor	Mr PAVAN SHAWAN
		18th/19th/20th Floor	18th/19th/20th Floor