



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

**Case Reference** : **MAN/00BZ/LSC/2019/0109**

**Property** : **46-56, Vista Road, Newton-le-Willows,  
Merseyside WA12 9ER**

**Parties** : **Clare Houston**  
**and**  
: **Vista Road Management Company Ltd  
(represented by Mr Maximous)**

**Type of Application** : **Reasonableness of Service Charges Sections  
20C and 27A Landlord and Tenant Act 1985**

**Tribunal Members** : **Mr J R Rimmer  
Ms S D Latham**

**Date of Order** : **6<sup>th</sup> February 2023**

**Order** : **1 The service costs actually incurred, and not  
the budgeted costs, for the 2019-20 year are  
reasonably incurred at reasonable cost.  
2 An order is made under Section 20C  
Landlord and Tenant Act 1985 in favour of  
the Applicant and other leaseholders named  
in the application in respect of any relevant  
costs incurred by the Respondent.**

## **Preliminary**

1 46-56, Vista Road is a block of 6 residential flats situated on a development with a similar block of 8 flats that comprises separate sheltered accommodation. Access to the subject block is either by pedestrian means from Vista Road, a significant thoroughfare in the Haydock district of St Helens, Merseyside, or through a gateway and parking area that serves both parts of the development.

2 The block itself consists of 2 storeys with a common hallway, landing and utility cupboards, with individual flats accessed from the hallway or landing. It is of modern brick construction under a tiled roof.

3 The Tribunal has been provided with a specimen lease for the flats which provides for the grant of a term of 999 years from 1<sup>st</sup> January 2010 wherein the maintenance and service costs of the two structures are treated as one entity and each leaseholder covenants to pay 1/14<sup>th</sup> of the total service costs through the medium of the management company which is the Respondent in these proceedings. That covenant is contained in the Fifth Schedule to the lease and relates to the obligations in respect of maintenance imposed upon the Respondent by the Fourth Schedule.

4 The obligations imposed upon the Respondent are not in issue. Rather, it is the manner and costs of meeting those obligations that are disputed by the Applicant and in such circumstances the Tribunal will not set out at length what would normally be regarded as the “usual” obligations to be found relating to service charges.

5 The Applicant’s complaint, usefully set out in a summary, is that those obligations have not been met by the Respondent and there is a history of delayed repair and maintenance (e.g. lightbulb replacement, unpaid electricity bill with threats of disconnection, lack of speedy action on repairs and thereafter a considerable increase in the monthly service charge contribution requested by the Respondent).

6 This is based upon a budget for the service charge for the year to 31<sup>st</sup> July 2020 showing a predicted expenditure of £16,766.00 (£1,197.57 per flat) to be collected by equal monthly payments throughout the year of £99.80. This is considerably in excess of previous budgeted or actual expenditure.

7 It was this predicted increase in expenditure that prompted the application by Miss Houston in respect of the 2019-2020 budget.

## **Inspection**

8 The Tribunal inspected the building at 46-56 Vista Road on the morning of 9<sup>th</sup> December 2022 and found it to be as described in paragraphs 1-2 above. It is in

relatively good condition, but with some minor repairs required (for example to the landing light fitting and the front door lock mechanism) and also in reasonable decorative order. There are limited grounds requiring garden maintenance and a significant area of asphalted car parking which is apparently more than sufficient for the requirements of the occupiers of the flats. The building is conveniently sited for public transport access to St Helens and Newton-le-Willows town centres.

## **Hearing**

9 Later the same day the Tribunal reconvened at its hearing centre in Piccadilly Plaza, Manchester to hear from the Applicant, together with Mr Maximous for the Respondent and Ms Forshaw and Mr Shore from the managing agents.

10 It was apparent to the Tribunal that there was a greater understanding between the parties as to their respective positions than was likely to have been the case when the Application to the Tribunal was made:

- The Respondent accepted that the significant increase suggested by the 2019-20 budget was concerning to the leaseholders, particularly as subsequent actual expenditure has by now proved to be considerably less.
- The publication of the budget was in retrospect a mistake.
- Miss Houston accepted that a mistake had been made, but there remained issues surrounding repairs and communication between the Applicant, the Respondent and the agents that required improvement in order to create a better relationship.
- She also accepted that the Tribunal was looking at actual costs incurred, or likely to be incurred, in the provision of a reasonable level of service and not at costs that may not have been incurred through inaction on the part of the Respondent.
- The Respondent accepted that some element of improvement should be brought to the service charge provision and communication with the leaseholders.

11 To the Tribunal's mind this was exemplified by the absence of information from the bundle of documents submitted by the parties, Although some items of expenditure were properly vouchered, others were not, even though the experience of the Tribunal suggested such costs were likely to have been reasonably incurred at reasonable cost.

12 The Tribunal therefore sought from the Respondent such other information that it ought reasonably to provide for such expenditure as had been incurred so as to support its initial assumption.

13 On 16<sup>th</sup> January 2023 the Tribunal office received a copy of the Respondent's spreadsheet analysis of income and expenditure, together with a number of redacted bank statements that appear to show the payments made to the respective creditors.

14 On the basis of that information the Tribunal is minded to consider the actual expenditure incurred in the year to 31<sup>st</sup> July 2020 as being reasonably incurred at reasonable cost. This, and not the budgeted amount which reflected neither past expenditure nor subsequent actual expenditure, represented what should be paid by the leaseholders.

15 It is also aware that within the budget proposed for that year there is an amount set out as a contribution to the contingency fund of £200.00 per flat. The Tribunal made its observations known upon such funds generally at the hearing and does not regard the amount in question as unreasonable as a contribution, given the nature of some of the liabilities that may arise in relation to Vista Road, of which the electronic gates is one example.

16 The application before the Tribunal also contained an application under Section 20C Landlord and Tenant Act 1985 on behalf of herself and 3 other named leaseholders that any legal or other professional costs incurred by the landlord should not form part of any service charge costs in future years. The Respondent indicated to the Tribunal that no steps to include such amounts would be taken. The Tribunal is therefore happy to make such an order to confirm that position.

**Judge J R Rimmer**  
**6<sup>th</sup> February 2023**