FIRST-TIER TRIBUNAL
PROPERTY CHAMBER (RESIDENTIAL PROPERTY)

Case references	**:**	CAM/00KA/LSC/2023/0019
Property	**:**	Flat 52, Highview Court, Dudley Street, Luton LU2 0FR
Applicants	**:**	Mark & Susan Pilgrim
Applicants' Representative	**:**	In person
Respondents	**:**	(1) Avon Ground Rents Limited (2) Highview Management Limited
Respondents' Representative	**:**	Christy Burzio, of counsel
Type of application	**:**	Liability to pay service charges
Tribunal members	**:**	Mr Max Thorowgood and Mr Gerard Smith MRICS
Venue	**:**	5th December 2023, in person at Hilton Hotel, Luton 6th December 2023 by CVP
Date of Decision	**:**	[2023]

DECISION

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1. The application

1.1. The Applicants are the lessees of Flat 52, Highview Court, Dudley Road, Luton. The Second Respondent was the original lessee, the First Respondent, her husband, became a joint lessee in October 2020.

1.2. The building known as Highview Court ("the Building") now comprises 53 flats. There were originally only 52 flats but a 53rd was created out of plant room on the ground floor, a prospective development lease having been granted prior to Avon's acquisition.

1.3. Construction of the Building, which is on four floors and includes a car park to the rear which is accessed via an electric gate, was completed in 2016 pursuant to permission granted by Luton BC in 2014. It was a condition of that permission that the details of a scheme for a renewable energy production which would provide at least 10% of the predicted energy requirements of the development should be submitted to the local authority for approval and should thereafter be used, retained and maintained for so long as the development remains in existence.

1.4. By their application dated 21st April 2023 the Applicants seek a determination as to the extent of their liability to pay the service charges which have been demanded of them in all the years of account from 2017/18 onwards.

1.5. The First Respondent ("Avon") acquired the freehold title to the Building in September 2016 and immediately appointed its associated company, Y & Y Management Ltd, to manage the building on its behalf.

2. Avon's application to be removed as a Respondent and for the Second Respondent to be substituted

2.1. Not unnaturally, given that all the correspondence, demands and notices which they had received since Avon acquired the title were issued in Avon's name, the Applicants identified Avon as the Respondent to their application.

2.2. Shortly before the date fixed for the hearing, however, Avon applied to be removed as a Respondent and for the Second Respondent to be substituted. The reason, it said, was that its freehold title was subject to tri-partite leases which placed the primary responsibility for the

provision of services upon the Second Respondent, an asset-less company of which the leaseholders covenanted to become members.

2.3. It might be thought curious, if there was any substance to the point, that Avon did not raise it in its initial Statement of Case. The reason it did not is presumably that when it acquired the freehold Avon assumed responsibility for the appointment of Y & Y Management to manage the Building and to provide the services provided for by the leases expressly on its behalf, as those leases entitled it to do. What is more, it was Avon which from that point forward demanded payment of the service charge. Furthermore, Y & Y Management Limited claims to have acted for both Avon and the Second Respondent, the only available evidence (in the form of a letter dated 29th September 2016 from Avon to Y & Y) is that Avon appointed it to act on its behalf only. The reality is that all three companies are controlled by Mr Israel Moskovitz and operate from the same premises at Avon House, 2 Timberwharf Road, London N16. There is no evidence, despite the covenants in the leases, that any of the leaseholders of the flats in the building are members of the Second Respondent.

2.4. It is difficult in these circumstance to avoid the conclusion that the true purpose of Avon's application was to divert any liability which might arise in this case (and possibly others too) on to the asset-less Second Respondent and so render enforcement more difficult for the Applicants. We therefore have not the slightest hesitation in refusing Avon's application to be removed as a Respondent. Consideration of that application wasted about 2 hours of the first day of the hearing and we find that it was vexatiously, abusively and unreasonably made.

2.5. There was no objection to the joinder of the Second Respondent and it is accordingly joined as the Second Respondent.

3. The terms of the lease

3.1. The Applicants' lease is in relatively straight-forward terms. As we have already noted, whilst the Second Respondent covenanted with both the Landlord and the Tenant to perform the Landlord Covenants (including the covenant to provide the Services described in Part 2 of Schedule 7), it is also clear that the Landlord covenanted separately with the Tenant to provide those services.

3.2. Materially, the services include:

3.2.1. Providing heating to the Common Parts;

3.2.2. Provided lighting to the Common Parts;

3.2.3. Maintaining the lifts and lift machinery;

3.2.4. Maintaining, repairing, operating and replacing the security equipment (including CCTV cameras);

3.2.5. Cleaning the outside windows of the building; and

3.2.6. Maintaining any landscaped areas of the Common Parts.

The "Common Parts" are defined for these purposes as including: the external paths, driveways and yard. No specific reference is made to the car parking area to the rear and we were informed that separate leases were granted in respect of the car parking spaces themselves.

3.3. It is also relevant to note the definition of the "Service Charge" which the leaseholders covenanted to pay as:

> "… a fair and reasonable proportion determined by the Landlord of the Service Costs."

We were informed that the proportions paid by the lessees were adjusted, according (amongst other things), to whether they were also the holder of a car parking lease.

4. The areas of challenge

4.1. The Applicants identified a number of different areas of challenge some of which applied to all the years of account and others to only some. The sums which the Applicants claimed were either not reasonably incurred or reasonable in amount are set out in the table at p. 131 of the bundle and itemised in the succeeding area specific tables which follow. The total sum in issue is £4,860.00. The Applicants described these areas of challenge as follows:

4.1.1. Car park security and cleaning;

4.1.2. Cleaning common areas and refuse hire;

4.1.3. Electricity;

4.1.4. Fire alarms, Emergency lighting, Pumps, H&S, Dry Riser & Smoke Vent;

4.1.5. General maintenance;

4.1.6. Landscaping;

4.1.7. Lifts;

4.1.8. Management fees;

4.1.9. Window cleaning; and

4.1.10. The s. 20 consultation process initiated by Avon in relation to the installation of a key fob entry system.

We will consider each of these areas in turn below. Much of the reasoning is cumulative and so we do not intend to repeat it and our findings in relation each matter save to the extent that it is essential to our decision.

5. Car park security and cleaning

5.1. It is first necessary to record that the parties agreed that the cost of £1,111.00 in relation to the car park security gate in the year 2017/18 was not correctly the subject of challenge and for that reason the total sum charged to the Applicants in that year is 1.3790% of £4,597.00.

5.2. As the heading implies, there are two elements to be considered in this regard: the maintenance of the gate and the Applicants' estimate of the proportion of the cleaning costs which are attributable to the cleaning of the car park area.

5.3. It was the Applicants' initial position that they should bear no part of the costs of maintaining the vehicular access gate or the pedestrian gate, because they are not entitled to use the car park and have not been provided with a fob enabling them to gain access by either gate. They also said that they ought not to have to contribute to the cleaning of the car park for the same reasons. In his closing submissions, however, Mr Pilgrim acknowledged the force of the point that the maintenance of the car park gate was essential to the security of the Building and that he had complained consistently and vehemently about Y & Y's failure to get a grip of the undoubted problems with the security of the Building. For that reason, he was prepared to accept that leaseholders who were not also the owners of car park lease should bear 25% of the costs of maintaining the gates.

5.4. The Respondents' main objection to that case was that the Applicants had not raised any question as to the reasonableness of the apportionment of the costs of maintaining the gates. That, however, is manifestly incorrect because, at points 2 & 3 of the Applicants' detailed case in relation to this head they point out: a) that car park leaseholders

already pay 9.0909% charge in relation to this item; and b) that leaseholders with no parking space ought not to have to pay any proportion of this cost.

5.5. There is, however, a deeper question concerning our jurisdiction to address the question of the reasonableness of the apportionment because it does not fall within the jurisdiction conferred upon us by s. 19. This is a matter which has recently been considered by the Court of Appeal in *Aviva Investors Ground Rent GP Ltd v Williams* [2021] EWCA Civ 27. Lewison LJ explained the position as follows at paragraph 34:

> "34. In my judgment, the clear thread that runs through the previous decisions of the UT is that section 27A(6) is concerned with no more than removing the landlord's role (or that of another third party) from the decision-making process; in order not to deprive the FTT of jurisdiction under section "27A(1)". That is made clear by *Windermere* [2014] L & TR 30, paras 42 and 48 , *Oliver* [2017] 1 WLR 4473, para 54 and *Fairman* [2018] UKUT 421 (LC) at [45] and [46] . As the UT held in *Fairman* , the statutory objective is satisfied if the landlord's role is transferred to the FTT."

5.6. In this case it is the clear effect of the definition of 'Service Charge' to confer a discretion upon the Landlord to determine what is a fair and reasonable proportion of the cost to it of providing the services for each leaseholder to pay. Such a provision is void by reason of s. 27A(6) and for the reasons explained by the Court of Appeal in *Aviva*, the discretion which the lease provided should be exercised by the Landlord is exercisable by us.

5.7. That is not to say, however, that it is appropriate for us to interfere with the landlord's decision in this regard unless there is some manifest unreasonableness affecting the Landlord's decision in relation to the distribution of the costs of the maintenance of the car park. The difficulty which we have is that we received only very limited evidence in that regard. We were not provided with a sample car park lease, we did not even receive any evidence as to the number of car park leases or as to the total proportion of the costs which was attributed to those lessees. We

also do not think it is possible to make a fair decision without hearing from leaseholders whose interests are likely to be affected by any decision (particularly in this case the car park leaseholders) or at least giving them the opportunity to be heard. For these reasons we do not think it would be right for us at this stage, in the absence of all the relevant information, to take upon ourselves the task of exercising this discretion afresh. We think this is a matter which ought to be dealt with by means of a further application to which all the leaseholders are made parties.

5.8. As to the question of the car park cleaning costs, there are we consider a number of problems with this aspect of the claim. First, there is no proper basis for the Applicants' proposed apportionment of a proportion of the overall cleaning costs to the costs of cleaning the car park. Second, this is an activity from which all the leaseholders benefit insofar as the cleanliness of the car parking area enhances the amenity of the Building as a whole. We therefore reject this element of the claim.

6. Cleaning common areas and refuse hire

6.1. The Applicants complained that the work done was of poor quality and further that the costs were increased because of Avon/Y & Y failed to take proper measures to ensure that the Building was secure.

6.2. We reject this head of challenge. There was no evidence that the work which was done was of poor quality, or that the cleaning costs were increased as a result of the failures to get to grips with the security of the Building.

6.3. Likewise, the costs of disposing of rubbish unlawfully dumped on the property are part of the costs of communal living which have to be borne communally.

6.4. We do accept that the design of the bin stores in the Building is extremely poor, not least because the height of the ceilings makes it impossible to open the lids of the bins properly. The doorway is too narrow and the

doors cannot easily be held open. That, however, is not a reason to say that these costs were not reasonably incurred or that they were not reasonable in amount.

7. Electricity charges

7.1. For a number of reasons, this was the main bone of contention between the parties, at least so far as the Applicants were concerned. During the first three years of account no charges in respect of communal electricity usage were levied at all. In 2019/20 £9,141 was charged, in 2020/21 £10,442 was charged, in 2021/22 £29,200 was charged, in 2022/23 the provisional charge was £6,500 and in 2023/4 the provision was for £20,000.

7.2. The reasons for the absence of charging in the first three years are not clear. Mr Gurvits said in his evidence that there were problems with the metering but there was no documentary evidence to support that claim. The Applicants explained the absence of charges on the basis that the electricity was being supplied during that period by the solar panels installed on the roofs of the Building and that it was as a result of works done by Avon to divert that supply that the bills began to be levied.

7.3. Mr Gurvits also claimed in his evidence that: i) Avon had not known anything about the solar panels on the roof of the Building when it purchased the Property at auction; ii) to the best of his knowledge the solar panels within the landlord's demise were not operational; and iii) he had referred the Applicants' queries in respect of the solar panels to Avon and that it was investigating them. We were unimpressed by Mr Gurvits' evidence, such as it was, in relation to each these points. We felt that it was his purpose, so far as possible, to divert our attention away from the examination of questions relating to the solar panels. One of the ways in which he sought to do this was to say that he had referred the matter to Avon which was investigating it as if that would somehow exculpate Y & Y and/or Avon. It would seem that this line of defence must have been predicated upon Avon having ceased to be a Respondent to

the application. Given, however, that we refused Avon's application to be removed, the only result of Mr Gurvits' inability to provide us with any useful/reliable information is that there is no satisfactory evidence before us in relation to the position on Avon's part. We are therefore bound to rely, *faut de mieux*, on the admittedly somewhat limited evidence put forward by the Applicant and our own observations in the course of our site visit. Those observations included in particular the fact that the 12 solar panels which we observed were apparently generating current and that the fuseboard in the control room on the ground floor had a circuit dedicated to the solar panels, which appeared to be switched off as the Applicants claimed. The Applicants also told us that the panels on the roof above their flat and their neighbour's are operational and that they receive the benefit of the feed in tariff from the electricity which they generate.

7.4. It is therefore our conclusion that unless and until Avon is able to establish that: the 50 or so solar panels which were installed on the roofs of the Building as a condition of the planning consent and which are required by that consent to be maintained in good working order so that 10% of the Building's total electricity needs are met from them are not operational; that they cannot economically be made operational, having regard to the feed in tariff revenue which they would generate; and/or that the feed in tariff which they do generate is not sufficient to discharge the communal electricity costs, it will not be reasonable for the Respondent to demand payment of any communal electricity charges from the leaseholders. That is to say, that these charges were not reasonably incurred. Consideration also needs to be given to how the condition of the planning consent that 10% of the energy being consumed by the whole development (i.e. not just to the common parts) should be supplied from the panels ought to be met – whether that be within the terms of the leases or, failing that, by means of enforcement action by the Local Planning Authority.

7.5. We leave on one side, as being outside the scope of our jurisdiction on this application, the question whether Avon may be liable to account to

the leaseholders in respect of the benefit of any feed in tariff which it may have received from the solar panels.

7.6. Further or alternatively, it was clear to us from our perusal of the electricity bills supplied by Avon that a large number of the bills were estimated, that those estimates appeared to be at substantial variance to the measured usage and that there were a large number of credit notes in the bundle, apparently on that account. It therefore seems to be very likely that there have been significant problems with the estimated bills being rendered and that the charging needs to be properly investigated before any further demands are made. That may well entail withholding payment of sums demanded on the basis that no proper statement of account has been delivered by the electricity provider.

8. Fire systems, emergency lighting etc

8.1. The Applicants' main ground of complaint under this head was that the Fire Safety Risk Assessments produced by the Respondent's contractor were 'bogus'. Mr Pilgrim was constrained, reluctantly, to concede in the course of the hearing that he did not contend that they were actively fraudulent but he did still maintain that they were very substantially deficient or negligently prepared. He was, however, unable to point to any expert evidence to support this contention and for that reason we reject it.

8.2. As there was no other substantive challenge we say nothing further in respect of this head.

9. General maintenance costs

9.1. The Applicants' main grounds of challenge under this head were as follows:

9.1.1. The doors to the bin store had not been replaced as the Respondent claimed they had;

9.1.2. The demands for payment were defective in that the font size of the prescribed information was too small;

9.1.3. The works done was of poor quality; and

9.1.4. The amount of work done had been increased by reason of Y & Y's failures to address properly the problems with the security of the Building which had been apparent.

9.2. It was clear from evidence produced by the Respondent in the course of the hearing in response to specific details of the Applicants' complaint in regard to the bin store doors that they had been replaced as the Respondent's documentary evidence showed.

9.3. In our view the Applicants' complaint that the font size of the statutory information was too small is a trivial, technical complaint and not such as to engage the suspensory effect of s. 21B.

9.4. There was little proper evidence to suggest that the quality of the works done was poor. There was evidence which we clearly observed in the course of our site visit of substantial problems as a result of leaks and condensation from the water meters. That has undoubtedly caused problems which we suspect may be attributable to the pressure at which water is being pumped from the pump house in order for it to reach the upper floors of the Building. It may be that the water meters are not designed to operate at that pressure.

9.5. The allegation that the amount of general maintenance was increased by the poor security of the Building does seems to us to have more substance. The Applicants were able to point to charges amounting to £2,700 in the period from 12th December 2021 to 15th February 2023 during which charges of £2,700.00 as a result of damage apparently caused by intruders to the Building. The Applicants have been pushing since 2018 for better security including a fob entry system,

improvements to the mag lock door entry system an improved CCTV coverage. Avon and Y & Y have been very slow to respond to the Applicants' suggestion to the extent that it was only after these proceedings were issued that the s. 20 consultation process in relation to the installation of a fob entry system was completed and not until shortly before the hearing that the work was completed. Furthermore, the recently installed CCTV system does not cover the front door of the second building (the camera points the wrong way and covers the parking gate entrance) and there is no CCTV in the entrance lobby to cover the main entrance. During this period the problems with unlawful access being gained to the Building were so serious that the Police imposed a closure order. In these circumstances, whilst we do not consider that Y & Y's failures to get a grip of the situation were entirely responsible for the problems, we do consider that its poor management of the Building was a contributory factor and we also consider it likely that those gaining unlawful access did cause damage which needed to be repaired. It is impossible to be certain about which items were and were not caused by intruders and we therefore intend to apply a reduction of 10% to the £538.00 in issue under this head in respect of the years £2018/19 onwards, i.e. £53.80.

10. Landscaping

10.1. The Applicants complained that the 'garden areas' of the development were of a very limited compass and that the works done were of a very superficial character.

10.2. We accept that the garden areas are not very substantial but neither are they completely negligible. It was apparent from our site visit that work had been done and to a reasonable standard recently. The documents produced by the Respondent showed that there had been regular visits and that substantial works of improvement by laying bark etc had been done.

11. Lifts

11.1. The Applicants' uncontested evidence was that the main lift had been out commission since the end of 2018 and that the other lift has only ever worked intermittently.

11.2. There is no evidence that these problems with the lifts are attributable to the problems with the lack of security nor is there any evidence for the Applicants' claim that there is a problem with the power supply to the Building which is the cause of these problems. Mr Gurvits' evidence was that the possibility there was a problem with the power supply, which had been suggested by lift engineers who had attended, had been investigated and discounted but there was no documentary evidence to support this claim.

11.3. The Applicants did not challenge any specific charge, their complaint really was that the section 20 consultation which Avon is presently undertaking in relation to the repair of the lifts ought to have been undertaken sooner. That may well be a legitimate view but as Mr Gurvits said, the leaseholders of the flats in the Building are 'costs averse' and that high cost projects therefore need to be prioritised. That seems to us to be a legitimate view for a landlord/managing agent to take.

11.4. There was no argument that any delay in taking steps had resulted in higher costs.

11.5. Avon accepted in the course of evidence that the charge of £580.81 by RCUK, purportedly in relation to a lift telephone line, was not properly made and ought therefore to be deducted.

11.6. Save as aforesaid, we therefore allow Avon's expenditure under this head. We say nothing about the ongoing s. 20 consultation in relation to the proposed expenditure on the repair of the lifts.

12. Management fees

12.1. Y & Y's poor management of the Building was the focus and lay at the root of many of the Applicants' dissatisfactions.

12.2. It seems to us, despite Mr Gurvits' protestations to the contrary, that Ben Shipman and Aaron Bloom, the employees of Y & Y who had responsibility for the Building, before the current manager, Naomi Reynolds, did a poor job and put little effort into what has admittedly been a difficult task of managing this Building which is in a poor location and is occupied by sub-lessees who have only a limited stake in it. The Building was not designed for that sort of occupation, is poorly suited to it and has consequently performed poorly.

12.3. Y & Y's failures to get to grips with the security problems, solar panel issues, maintenance issues and problems with the lifts, despite the considerable best efforts of Mr Pilgrim, were the result of negligence and/or indigence on the part of Mr Shipman and Mr Bloom.

12.4. It is significant, therefore, in our view that, as Mr Gurvits unwittingly acknowledged in his evidence, the per unit charge made by Y & Y (£270.00 until 2022/23 when it increased to £300.00) was at the upper end of the management charge spectrum; the sort of charges which Y & Y would generally make in respect of a building in a high-class area. It is notorious, of course, that buildings in lower quality locations are often more demanding of management time and resources than those in more affluent areas. Nevertheless, in our view the poor quality of the service offered by Y & Y is evident from the poor condition of the riser cupboards, the bin stores and the security doors. The failure of the company to get to grips with the security problems to the extent that the Building was subject to a closure order is further evidence of extremely poor management, as is the alleged failure of Avon to investigate the apparent discrepancies in the electricity billing and its alleged failure, either properly or at all, to run the position in respect of the functioning of the solar panels to earth at any point before the hearing.

12.5. In these circumstances, it is our view that the quality of the service provided by Y & Y Management in all the years of account save the most recent with which we are concerned (following the appointment of Ms Reynolds) was so poor that it is necessary to reduce the amount of the charge by 50% to reflect what is a reasonable amount for the quality of the service provided.

13. Window cleaning

13.1. The Applicants make two complaints. The first is that the quality of the work done has been poor or not done at all. The second is that it is impossible for them as the leaseholders of a flat on the top floor of the Building the windows to which look out onto a balcony which effectively prevents their windows being cleaned from the outside. In essence this second point is an apportionment problem which, in this case, was not raised by the Applicants in their Statement of Case.

13.2. As to the question of the quality of the work done, the Applicants were able to point to a recent instance when it appeared from the photograph which they took shortly after an alleged visit by the window cleaners that the cill of one of the windows was dirty. It is difficult to extrapolate from this one recent possible instance of poor workmanship that work which has been invoiced for and paid was not done or was done to such a poor standard that it ought not to be paid for. That is particularly so when Avon was able to produce a number of photographs apparently taken by its window cleaning contractor in the course of visits to the site. We therefore reject this head of challenge.

13.3. The question whether it is fair and reasonable that the Applicants should have to bear the same proportion of this cost as other leaseholders, the windows of whose flats are being cleaned, is a more difficult one. On the one hand this is a communal cost from which they do benefit to the extent that the windows of the communal areas are kept clean. It also seems doubtful to us, as we have already said, whether it is appropriate for us to attempt to micro-manage the landlord's decisions as to the

apportionment of the costs of specific items for which charges have been made. On the other, this does seem to be a clear case in which the Applicants derive only limited benefit from a specific cost centre. Further, of course, any decision of the landlord as to the apportionment of the costs is void by virtue of s. 27A(6) and that discretion now vests in us. This is not an area in which there is so much potential scope for argument as to the fairness of the apportionment. In our view, it is clear that the owners of flats with balconies receive a substantially smaller benefit from this expenditure and that their exposure to it should accordingly be reduced by 50%, a reduction of £69.00.

14. The costs of installing the fob entry system

14.1. In this head the Applicants' dissatisfactions with Y & Y's management of the Building and their concerns about its security are united. They complained that had this work been done when Mr Pilgrim and the Police said it should, in 2018, it could have been done for £4,000.00 + VAT. That figure is based upon an estimate obtained by Mr Pilgrim in 2018 for three doors at a total cost of £1,565.00. The scope and specifications of that estimate are however somewhat uncertain and it is plainly not current.

14.2. The Applicants further complain that Y & Y's management of the s. 20 consultation process which it did eventually initiate was mismanaged because of failures to specify the works properly and to issue effective notices with the result that additional charges have been incurred. They also complain that the works have still not been satisfactorily completed because there is still a considerable delay in the operation of the maglock which allows tailgating to take place relatively easily.

14.3. As a result of these numerous failures the Applicants say, and we agree, that it is manifestly inappropriate that Y & Y should be paid a management charge of 15% of the contract price of £10,080.00. Quite apart from any questions as to the competence with which Y & Y has managed the s. 20 process, Y & Y is already being paid a management fee

at the top end of the normal range for its work in relation to the Building. That work includes, or ought to include, the management of projects which are integral to that management function, such as the security of the entrance doors. It is not therefore reasonable for Landlord to incur any additional costs paying it to manage a project which it ought to have been managing anyway.

14.4. We are not persuaded, however, that Gamma Systems costs of installing the fob system are unreasonable in amount. The Applicants' alternative figure is based on an out of date quote the specification for which is uncertain. It is the purpose of the s. 20 process to enable alternative quotes to be obtained and scrutinised and, whatever the shortcomings of the process may have been in this case, there has been a form of competitive bidding process of which it is the result that an independent contractor has been appointed to do the work.

14.5. For these reasons, we consider that the sum of £10,080 plus Vat is properly payable in respect of the installation of the fob system, although we expect that the problems with the delay in the operation of the maglock should be resolved by Gamma Systems within the existing contract price unless they are attributable to some other cause than its defective performance of the original installation works.

15. Summary of conclusions

15.1. In summary therefore our conclusions are as follows:

15.1.1. That it would not be appropriate for us to interfere with the Landlord's apportionment of the costs of maintaining the car park gate without more information and without the other interested parties first having an opportunity to comment.

15.1.2. That it is not reasonable for the Landlord to incur any communal electricity costs without first ascertaining the functionality of the solar panels from which the property

benefits. In addition, the estimated bills which have been rendered need to be properly investigated and challenged as necessary. Again, until that process is complete no such costs would be either reasonably incurred or reasonable in amount.

15.1.3. We apply a £53.80 reduction in respect of general maintenance costs.

15.1.4. The Building has been poorly managed by Y & Y Management until recently and for that reason we consider it that the management charge need to be reduced by 50% to reflect that poor level of service in all but the most recent year of account since Ms Reynolds' involvement.

15.1.5. The Applicants benefit substantially less than other leaseholders from the costs of communal window cleaning it is therefore appropriate to reduce the proportion of this cost which it is reasonable for them to bear by 50%.

15.1.6. It is not appropriate for Y & Y to be paid anything in respect of its management of the s. 20 process relating to the installation of the fob entry system. There are two reasons for this. First its management of the process has been poor. Second, it is already being paid to do this work.

15.1.7. Save as aforesaid we consider that the sums demanded by Avon were reasonably incurred and were reasonable in amount and are accordingly payable by the Applicants.

APPENDIX 1- RIGHTS OF APPEAL

1. If a party wishes to appeal this decision to the Upper Tribunal (Lands Chamber) then a written application for permission must be made to the First-tier Tribunal at the Regional office which has been dealing with the case.

2. The application for permission to appeal must arrive at the Regional office within 28 days after the Tribunal sends written reasons for the decision to the person making the application.

3. If the application is not made within the 28 day time limit, such application must include a request for an extension of time and the reason for not complying with the 28 day time limit; the Tribunal will then look at such reason(s) and decide whether to allow the application for permission to appeal to proceed despite not being within the time limit.

4. The application for permission to appeal must identify the decision of the Tribunal to which it relates (i.e. give the date, the property and the case number), state the grounds of appeal, and state the result the party making the application is seeking.