

FIRST-TIER TRIBUNAL PROPERTY CHAMBER (RESIDENTIAL PROPERTY)

Case reference : LON/00AH/LSC/2021/0173

HMCTS code : V: CVPREMOTE

Radnor House, 1272 London Road,

Property: Norbury, London, SW16 4EB

39 Leaseholders of Radnor House

whose names are annexed to this

Applicant : whose had decision

Representative : Piers Harrison (Counsel) instructed by

Ringley Law

Respondent : Radnor House Management Limited

Representative : Thomas Cockburn (Counsel) instructed

by Lester Dominic Solicitors

Type of application : For the determination of the liability to pay service charges under section 27A of

the Landlord and Tenant Act 1985

Tribunal members : Judge Robert Latham

Sarah Phillips MRICS

Date and Venue

of Hearing

4 March 2022 at

10 Alfred Place, London WC1E 7LR

Date of decision : 21 March 2022

DECISION

Covid-19 pandemic: description of hearing

This has been a remote video hearing which has not been objected to by the parties. The form of remote hearing was V: SKYPEREMOTE. A face-to-face hearing was not held because it was not practicable and no-one requested the same.

The Tribunal has been referred to the following documents to which reference will be made in this decision:

- (i) the Applicant's Bundle (604 pages): "A.___")
- (ii) the Respondent's Additional Bundle (32 pages): "R.___")
- (iii) a Skeleton Argument from Mr Cockburn, together with three authorities;
- (iii) two Skeleton Arguments from Mr Harrison (respectively on the procedural and the substantive issues) together with a Bundle of Authorities.

Decisions of the tribunal

- (1) Tribunal determines that the interim service charges which total £370,776.62 and which were demanded on 6 April 2021 are payable and are reasonable;
- (2) The Tribunal disallows the sum claimed for Company Secretarial (£1,488) as this is not a proper service charge item of expenditure. This reduces the budget by a nominal 0.4%. The Respondent should remove this item when the final service charge accounts for the year are prepared. The Tribunal does not require the Respondent to issue a revised service charge demand for this interim payment.
- (3) The Tribunal makes no order under either section 20C of the Landlord and Tenant Act 1985 or paragraph 5A of Schedule 11 of the Commonhold and Leasehold Reform Act 2002.
- (4) The Tribunal makes no order for the reimbursement of the tribunal fees which have been paid by the Applicants.
- (5) The Respondent has made an application for costs under Rule 13(1)(b) of the Tribunal Procedure (First-tier Tribunal) (Property Chamber) Rules. The Tribunal has issued Directions for the determination of this application.

Introduction

- 1. The Tribunal is required to determine an application brought by 39 Leaseholders at Radnor House, 1272 London Road, Norbury, London, SW16 pursuant to s.27A of the Landlord and Tenant Act 1985 ("the 1985 Act") in respect of the payability and reasonableness of an interim service charge which was demanded on 6 April 2021 for the service charge year 2021/2. The total budget for the year is £370,776.62 which is divided between the 113 leaseholders. The sum for which the 39 leaseholders are liable is some £128k. They have made no contribution towards the service charge.
- 2. Radnor House is a 6/7 storey office block which has been converted into flats. There are 113 one and two bedroom residential flats, 40 of which have been demised to Places for People Homes and are sublet under shared ownership schemes.
- The design incorporated larch timber cladding on balconies, flank walls 3. and external fire escapes. As a result of the Grenfell Fire tragedy, major works have been required to Radnor House. A temporary waking watch service was put in place at a cost of £20k per month. Works have now been executed to remove the larch timber cladding and replace it with a non-combustible alternative. JSG Design and Build quoted £570k for these works. However, when the cladding works was removed, additional works were required to improve the insulation at a cost of some £336k. Two applications have already been before this tribunal in respect of dispensation from the statutory consultation requirements: (i) On 9 December 2019 (LON/00AH/LDC/2019/0192), dispensation was granted without condition in respect of the works which were originally proposed and (ii) on 29 October 2021 (LON/00AH/LDC/2019/0192). dispensation was granted on conditions in respect of the additional works. On 24 February 2022, the Applicants issued a further application to determine the payability and reasonableness of the service charges payable for 2019/20 and 2020/21.
- 4. The Tribunal has reached our decision on this application largely on procedural grounds. The Applicants have not filed any Statement of Case or witness statements. It is therefore not possible for this Tribunal to form any view as to the underlying merits of this dispute.
- 5. The Tribunal expects any party to prepare their case in accordance with the Overriding Objective specified in Rule 3 of the Tribunal Procedure (First-tier Tribunal) (Property Chamber) Rules ("the Tribunal Rules"), in order that it is able to determine the case fairly, justly and in a proportionate manner. The Tribunal gives Directions to identify the issues that it will be required to determine and the steps necessary to ensure that these can be determined in accordance with the Overriding Objective. The Tribunal expects parties to adhere to these Directions. In

the current case, the Applicants, represented by solicitors, have failed to do so.

- 6. This Tribunal is only required to determine the payability and reasonableness of an interim service charge. The Tribunal is assessing what the landlord reasonably expected to spend on the relevant services in 2021/2. At the end of the financial year, the landlord is required to prepare service charge accounts in respect of the sums actually expended. At that stage it will be open to the tenants to challenge the reasonableness of the actual expenditure.
- 7. There is an additional factor in this case. On 6 December 2021, Radnor House RTM Company Limited ("the RTM Company") acquired the Right to Manage the block pursuant to Part 2 of the Commonhold and Leasehold Reform Act 2002. It has appointed Mandville Estates Limited to manage Radnor House. The RTM Company is controlled by the qualifying tenants who elected to become members. The Respondent informed us that the actual expenditure between 1 April and 6 December 2021 was £154,913.83. This is significantly less than the budgeted income. It is therefore in the interests for the accounts for the year to be finalised at the earliest opportunity.

The Hearing

- 8. The Applicants were represented by Mr Piers Harrison (Counsel) instructed by Ringley Law. He was accompanied by Mr Lee Harle from his instructing solicitors. Eleven of the Applicants attended the hearing. Seven additional tenants attended who are subtenants of Places for People Homes and who are dissatisfied with the manner in which their landlord has sought to protect their interests. Katie Austen, the subtenant of Flat 35 is the Chair of the Radnor House Residents Association ("the Residents Association") who have taken the lead in bringing this application. Mr Harrison confirmed that he was not acting for any of these subtenants. Mr Harrison had been instructed at a late stage. He took every point that he could on behalf of his clients, but took a realistic approach to the problems that the Applicant faced given the procedural background to this application.
- 9. The Respondent was represented by Mr Thomas Cockburn (Counsel) instructed by Lester Dominic Solicitors. He was accompanied by Ms Sahar Chaudhary from his instructing solicitors. Mr Qalab Ali, a property manager and director of Westcolt Surveyors ("Westcolt"), the then managing agents, attended the hearing. Mr Cockburn did not call him to give evidence.
- 10. The Tribunal is grateful to the assistance provided by both Counsel. Their Skeleton Arguments have highlighted the issues which we are required to determine. We have had regard to the authorities on which they rely.

The Application

- 11. On 30 April 2021, Ringley Law issued this application on behalf of the Applicants in respect of the interim service charge for 2021/2 which had been demanded on 6 April 2021. The demand issued to the tenants of Flat 60 is at A.165. A budget for 1 April 2021 to 2022 was attached (at A.168). The total budget was £370,766.62. The tenants were required to pay a 1.024% of this sum, namely £3,796.65.
- 12. There were a number of problems with this application:
 - (i) Section 1 the Applicants: The application was brought in the name of the Residents Association who have no status as it is not a tenant liable to pay a service charge. The application form referred to the application being brought on behalf of 39 leaseholders whose names were attached. There was no such attachment. The list of the 39 leaseholders was provided at 16.29 on the eve of the hearing and is annexed to this decision.
 - (ii) Section 8 Other Application: It was suggested that this application related to the qualifying works subject to the dispensation application in LON/00AH/LDC/2020/0174 and that the two applications should be amalgamated. On 13 May 2021, a Procedural Judge joined the two applications. On 17 September, they were severed when it became apparent that there was no such connection.
 - (iii) Service Charges in Issue: The application was accompanied by a Scott Schedule in the form of an excel spread sheet together with 38 Appendices. The excel spreadsheet contained a number of tabs which challenged 54 items in the draft budget. The Applicants did not identify why it is contended these items were not payable or were unreasonable. Much of the spreadsheet was merely a request for information. As such, the Applicants were merely putting the Respondent to proof.
- 13. Give these problems, the Tribunal arranged a Case Management Hearing ("CMH") on 17 September 2021 at which both parties were legally represented. Judge N Carr gave Directions (at A.382):
 - (i) The parties were invited to consider using the tribunal's mediation service. It seems that neither party was willing to consider mediation.
 - (ii) By 7 October 2021, the Applicants were directed to provide the Tribunal with the names and addresses of the 39 tenants who were parties to this Application. This information was provided on 3 March 2022.
 - (iii) By 29 October 2021, the Applicants were directed to provide a Scott Schedule in the form attached to the directions, setting out in the

relevant column: (a) the item and amount in dispute; (b) the reason(s) why the amount is disputed; and (c) the amount, if any, the tenant would pay for that item. The Applicants failed to provide this Scott Schedule. Mr Harrison was unable to provide any explanation for their failure to do so.

- (iv) By 29 October 2021, the Applicants were further directed to provide (a) copies of any alternative quotes or documents upon which they sought to rely; (b) a Statement of Case setting out: (i) the relevant service charge provisions in the lease; and (ii) any legal submissions in support of the challenge to the service charges claimed, including argument, if liability to pay is at issue; and (c) any witness statements. The Applicants failed to comply with this.
- (v) By 10 December 2021, the Respondent was directed to provide its response to the Applicants' revised Scott Schedule and the further material upon which it sought to rely.
- (vi) The parties were required to return a listing questionnaire so that the hearing could be listed during the period 7 February and 4 March 2022. Neither party returned this.
- 14. On 20 November 2021 (at R.1), the Applicants applied to amend their application to include the service charge years 2019/20, 2020/21 and 2021/22 and asked that the Directions be amended. No details were provided of the amended application. If the Tribunal decided against this request, the Solicitor stated that a further application would be issued.
- 15. On 24 November 2021 (at R.2), Judge Carr refused this application. She noted that the substance of the new challenges had not been identified. The Tribunal could not permit an amendment "at large" without the Applicants pleading any positive case. The Applicants were reminded of the defects in their original application which had been identified at the CMH. It was for the Applicants to decide how to proceed whether by an amended statement of case or a new application.
- 16. On 6 December Radnor House RTM Co Ltd acquired the Right to Manage and Mandeville Estates Limited took over as managing agents.
- 17. On 10 December 2021, despite the Applicants not having provided a revised Scott Schedule, the Respondent served a response to the 54 items in the original excel Scott Schedule (at A.181). The Respondent also provided a short witness statement from Mr Ali (at p.177).
- 18. On 28 January 2022 (at R.5), the Applicants applied for an adjournment. They stated that they expected to issue a new application in respect of the service charge years 2019/20 and 2020/21 in the week commencing 31 January. On 2 February (at R.11) the Respondent opposed the

application. On 15 February (at R.14), Judge Carr refused the application for an adjournment. She noted that no further application had been issued. She set the matter down for hearing on 4 March. She directed the Applicants to file a Bundle of Documents for the hearing by 23 February.

- 19. On 23 February 2022, the Applicants filed the Bundle of Documents (604 pages). This included a revised Scott Schedule (at p.390-1) and a bundle of additional documents upon which the Applicants now sought to rely (at A.392-604). The revised Schedule reduced the number of budget items challenged from 54 to 11. No application was made for permission to rely on this revised Scott Schedule. The Applicants did not include any Statement of Case or witness statements.
- 20. On 24 February 2022 (at R17), the Applicants made a further application to adjourn the hearing. On the same day, they issued a further application in respect of the service charge years 2019/20 and 2020/21. On 28 February (at R.19), Judge Carr refused this application.

Procedural Issues

- 21. On 2 March 2022, the Respondent issued an application (at R.26) seeking the following orders:
 - (i) An order striking out the Applicants' case pursuant to Rule 9(3) of the Tribunal Rules;
 - (ii) Alternatively, an order barring the Applicants from participating further in the application pursuant to Rule 8(2)(e);
 - (iii) An order excluding the recent evidence/documents included in the Applicants' Bundle pursuant to Rule 18(4) of the Rules;
 - (iv) An order requiring the Applicants to provide a schedule listing the names and flat numbers of the 39 leaseholders who are parties to the application; and
 - (v) An aplication for costs pursuant to Rule 13(1)(b).
- 22. On 3 March 2022, the Applicants issued an application (at R.29) seeking permission to:
 - (i) Waive the non-compliance with the direction given on 17 September 2021 to prepare a new Scott Schedule in the form directed; and
 - (ii) Permit them to rely on their Revised Scott Schedule, but not the new evidence filed at A.392-604.

- 23. In determining these applications, the Tribunal must have regard to the Overriding Objective in Rule 3 of the Tribunal Rules:
 - "(1) The overriding objective of these Rules is to enable the Tribunal to deal with cases fairly and justly.
 - (2) Dealing with a case fairly and justly includes—
 - (a) dealing with the case in ways which are proportionate to the importance of the case, the complexity of the issues, the anticipated costs and the resources of the parties and of the Tribunal;
 - (b) avoiding unnecessary formality and seeking flexibility in the proceedings;
 - (c) ensuring, so far as practicable, that the parties are able to participate fully in the proceedings;
 - (d) using any special expertise of the Tribunal effectively; and
 - (e) avoiding delay, so far as compatible with proper consideration of the issues.
 - (3) The Tribunal must seek to give effect to the overriding objective when it—
 - (a) exercises any power under these Rules; or
 - (b) interprets any rule or practice direction.
 - (4) Parties must—
 - (a) help the Tribunal to further the overriding objective; and
 - (b) co-operate with the Tribunal generally."
- 24. The Tribunal must also have regard to the decision in *Denton v TH White Ltd* [2014] EWCA Civ 906; [2014] 1 WLR 3926. Whilst the Court of Appeal was addressing the approach to be adopted in respect of relief from sanction under the Civil Procedure Rules, the Supreme Court in *BPP Holdings Ltd v Revenue and Customs Commissioners* [2017] UKSC 55; [2017] 1 WLR 2945, held that a similar approach should be adopted

by tribunals. Tribunal proceedings cannot be conducted fairly, efficiently and at proportionate cost unless parties comply with Directions. Any application for relief from sanctions should be approached in three stages:

- "(i) identify and assess the seriousness and significance of the failure to comply with any rule, practice direction or court order;
- (ii) consider why the default occurred;
- (iii) evaluate all the circumstances of the case, so as to enable the court to deal justly with the application."
- 25. The Tribunal first considered the seriousness of the Applicants' failure to comply with the Directions of 17 September 2021. We considered the following matters to be significant:
 - (i) The failure to identify the 39 tenants who are parties to this application: It is essential for the relevant tenants to be identified as it is only such tenants who are entitled to benefit from any finding and who would be liable for any adverse costs order. Mr Harle stated that he had informed the Tribunal that it was the same tenants as the Residents Association had represented in LON/ooAH/LDC/ 2020 /0174. However, in this application, the Residents Association had acted for 53 tenants, including a number of the sub-tenants of Places for People.
 - (ii) The failure to serve the revised Scott Schedule in the form directed: Any respondent is entitled to know the case that it is required to answer. It is incumbent on a tenant seeking to argue that service charges are not payable to plead their case. The 1985 Act does not place an onus on a tribunal to investigate the issue of reasonableness in all cases (see *32 St John's Road (Eastbourne) Management Co Ltd v Gell* [2021] EWCA Civ 789; [2021] 1 WLR 6094).
 - (iii) The failure to serve (a) a Statement of Case; (b) any alternative quotes; or (c) any evidence: The Respondent was entitled to know the case that it was required to answer.
- 26. Mr Harrison has been unable to put forward any explanation for the abject failure to comply with the Directions. The Tribunal recognises the practical difficulties created by Covid for all parties.
- 27. Thirdly, the Tribunal is required to evaluate all the circumstances of the case, so as to enable the court to deal justly with the application. The Tribunal has now been notified of the parties to the application. Mr Harrison, argued that the revised Scott Schedule merely reduced the items in dispute from 54 to 11. However, he conceded that new points

had been raised. In his Skeleton Argument, he only raised five issues for the Tribunal to determine.

- 28. During the course of argument, the differences between the parties was reduced:
 - (i) Mr Cockburn accepted that it would not be in the interests of the Respondent for the Tribunal to strike out the application. The Respondent required a finding of the payability and reasonableness of the interim service charges. Its next step would be to enforce the payment of the interim service charges in the County Court.
 - (ii) If the Tribunal did not address the liability of tenants to pay the interim service charge, this could be challenged when the service charge accounts for the year have been prepared and the final demand is issued.
 - (iii) It benefited the Respondent to know that only five issues were now in dispute.
 - (iv) Mr Harrison did not intend to adduce any evidence.
 - (iv) It would be counterproductive to exclude Mr Harrison from participating in the determination of the substantive issues, as he could assist on the payability of the budgeted items in dispute.
- 29. The primary concern of the Tribunal was that the Respondent should not be prejudiced by the Applicants' manifest and unexplained failure to comply with the Directions of 17 September 2021. The Tribunal therefore refused the Applicants permission to rely on the revised Scott Schedule as it raised new arguments to which the Respondent had had no opportunity to respond. We determined that Mr Harrison would only be able to argue the points raised in the original Scott Schedule and to which the Respondent had filed its response. This included issues of liability to pay under the terms of the lease. The Tribunal would not entertain any argument on reasonableness as this would require evidence which the Respondent has had no opportunity to address. The Tribunal stated that we would issue further directions on the application for a wasted costs order and that this would be determined on the papers.
- 30. In the light of this ruling, Mr Harrison abandoned Issue 1, namely whether the demand for the interim service charge had been made in accordance with the terms of the lease. There are four issues which we are required to determine:
 - (i) The Loan Facility for the Cladding Works: £36,665.
 - (ii) Funding Grant & VAT Rebate Professional Fees: £27.637.

- (iii) Out of Hours Cover: £1,000.
- (iv) Company Secretarial: £1,488.
- 31. The Applicants now challenge service charge items totalling £65,890 (17.8%) out of a total budget of £370,766.62. Despite this, they have paid nothing towards the interim service charge which has been demanded.

The Lease

- 32. The Tribunal has been provided with a sample lease for Flat 104 (at A1-42), dated 24 November 2006. It is a tripartite lease between (i) the Landlord; (ii) the Tenant; and (iii) Radnor Residential Management Limited, the Management Company.
- 33. By Clause 5.9 of their leases, all the tenant are members of the Management Company. If the tenants control the Management Company, it is not entirely clear why it was necessary to establish a separate RTM Company. Further, if there are any sums which the Management Company is unable to recover through the service charge, any loss will ultimately be borne by its shareholders.
- 34. The service charge machinery is provided at Clause 5.7 and Schedule 4. The Management Company is obliged to provide the relevant services. By Clause 5.7.3, the tenant covenants to contribute and pay on demand the tenant's proportion of all costs, charges and expenses from time to time incurred or to be incurred by the Management Company in performing and carrying out the obligations under Schedule 4. By Clause 5.7.3, the tenant is required to pay an interim service charge on 1 April. The Management Company is entitled to maintain a reserve fund.

Issue 1: The Loan Facility for the Cladding Works: £36,665

- 35. Mr Cockburn stated that on 2 June 2020, the Respondent took out a loan of £300k to fund the cladding works. It seems that this relates to the additional insulation works which were found to be necessary. The contract for the loan is not in the bundle. The terms of the loan are not known, save that interest is charged as 1% each month. The Respondent states that the need for the loan was raised in a newsletter.
- 36. The point taken by Mr Harrison relates to liability. He argues that the lease makes no provision for the Management Company to take out a loan. In the absence of any such provision, it is not open to the Management Company to pass on the cost of a loan through the service charge. He puts this in the same category as a reserve fund or the employment of managing agents. If the lease makes no provision for this, there is no right to pass this on through the service charge.

- 37. Mr Cockburn argues that the Management Company is entitled to pass on the cost of the loan, if the loan is necessary to enable the Management Company to perform its duties under the lease. We agree. If works are required as a matter of urgency, as in the case of health and safety works, the Management Company may have no option but to take out a loan to fund the works. This is necessary to enable it to carry out works which it has covenanted to provide under the lease.
- 38. All that this Tribunal is determining is that in principle, it is open to the Respondent to take out a loan to fund emergency works and that it was entitled to include the cost of financing this loan in the interim service charge. When the final service charge accounts have been prepared, it would be open to a tenant to challenge whether the sum expended has been reasonably incurred. This may raise such issues as to whether the Management Company should have established an adequate reserve fund or anticipated the expenditure in its budget. It would be for the tenant to plead their case as to why it has not been reasonably incurred. However, it ill beholds tenants who have withheld service charge payments, to complain when the management company has felt compelled to take out a loan.

<u>Issue 2: Funding Grant & VAT Rebate Professional Fees:</u> £27.637

- 39. In its response in the Scott Schedule, the Respondent states that there are two elements in this budget item: (i) £8,500 + VAT in respect of a claim for repayment of VAT. A reduction in VAT from £106k to £7k was secured; (ii) a sum chaired by the managing agent in applying for a grant in respect of the cladding works; an application which was apparently unsuccessful.
- 40. Mr Harrison concedes that the sum included in respect of the VAT rebate is payable. He thus accepts that the Management Company is entitled to charge professional fees through the service charge. He rather argues that costs incurred in respect of the grant application is not recoverable. It should have been part of Westcolt's standard duties. Otherwise, Westcolt should have sought alternative quotes.
- 41. The Tribunal is only dealing with budgeted, rather than actual expenditure. The management agreement has not been included in the bundle. No evidence has been adduced as to what sum has been paid and how this has been computed. We are satisfied that the Respondent was entitled to include to include an estimated charge for professional fees in the budget. When the final service charge accounts have been prepared, it would be open to a tenant to challenge whether the sums expended have been reasonably incurred.

Issue 3: Out of Hours Cover: £1,000

- 42. Mr Harrison argues that the out of hours cover should have been part of the basic services in the Westcolt management agreement. It is for the Respondent to prove that the managing agents were entitled to charge an additional fee.
- 43. The Respondent has had no opportunity to deal with this point. It should have been raised by the Applicants at an earlier stage. The Tribunal is satisfied that the Respondent would be entitled to charge a fee for an out of hours service if this was not covered by the basic management agreement. Emergencies arise outside normal working hours and the Respondent need to make provision for this. If the tenants are able to establish that this service is included as part of Westcolt's standard duties, this is an issue which the tenants can raise when the service charge accounts have been prepared.

Issue 4: Company Secretarial: £1,488

- 44. This budget item relates to the costs of the Management Company filing its annual accounts and returns with Companies House. The Management Company will also need to prepare annual accounts for Companies House which will be prepared in a different format to the service charge accounts. It seems that to date, only £140 has been incurred (see A.333).
- 45. Mr Cockburn argues that these costs are necessarily incurred by the Management Company in carrying out its obligations under the lease and are covered by Clause 5.7.2. He also notes that tenants are required to be a member of the Management Company.
- 46. The issue is whether these modest expenses are to be borne by the service charge payers or the shareholders. Exactly the same principle will apply to the costs in running the RTM Company which is now managing Radnor House.
- 47. Mr Harrison relies on the decision of *Wilson v Lesley Place (RTM) Co Ltd* [2011] L&TR 11. George Bartlett QC, the President of the Upper Tribunal, held (at [16]) that the lease did not permit the RTM company to recover the costs of running the company through the service charge. These costs need to be met by members of the RTM company.
- 48. This decision has recently been followed by Judge Elizabeth Cooke in *Collingwood v Carillon House Eastbourne Limited* [2021] UKUT 246 (LC). This was a case in which 4 of the 7 tenants were shareholders in the landlord company. Clause 7 of the tenants' lease required them to pay "the fees and disbursements paid to any Managing Agents Accountants and Auditors appointed by the Lessor in respect of the property...". The

Judge (at [42]) was satisfied that this was a covenant to pay fees and disbursements incurred in the management of the property, and not in respect of the management of the landlord company.

- 49. We have had regard to Clause 5 and Schedule 4 of the lease. We are satisfied that there is no covenant which permits the Respondent to recover the costs of running the Management Company. This is a cost to be borne by the shareholders. The sum budgeted for these expenses is small; the actual expenditure is even smaller. This reduces the budget by a nominal 0.4%. The Respondent should remove this item when the final service charge accounts for the year are prepared.
- 50. Subject to this minor item, the Tribunal is satisfied that the interim service charge that was demanded on 6 April is payable. We do not require the Respondent to issue a revised service charge demand to delete the modest sums claimed in respect of running the Management Company.

Consequent Orders

- 51. The Applicants have applied for orders under either section 20C of the Landlord and Tenant Act 1985 or paragraph 5A of Schedule 11 of the Commonhold and Leasehold Reform Act 2002. Any such order would restrict the Respondent from passing on the cost of these proceedings through the service charge or against individual tenants. In the light of our findings above, it would be inappropriate to make any such order.
- 52. The Respondent has made an application for its costs under Rule 13(1)(b) of the Tribunal Procedure (First-tier Tribunal) (Property Chamber) Rules. The Tribunal has issued Directions for the determination of this application.
- 53. Mr Harrison made no order for the reimbursement of the tribunal fees of £300 which have been paid by the Applicants.

The Next Steps

- 54. On 24 February 2022, the Applicants issued a further application in respect of the service charge years 2019/20 and 2021/22. The Respondent has not yet finalised the accounts for the period 1 April to 5 December 2021. Further litigation is likely in the County Court if the Applicant do not pay the interim service charge which was demanded on 6 April 2021.
- 55. The Tribunal offers a mediation service. It is hoped that the parties will utilise this so that the outstanding issues can be resolved. Only when these issues have been resolved will it be possible for the service charge accounts with the Respondent to be closed and the accrued uncommitted

service charges transferred to the RTM Company that is now managing Radnor House.

Judge Robert Latham 21 March 2022

Rights of appeal

By rule 36(2) of the Tribunal Procedure (First-tier Tribunal) (Property Chamber) Rules 2013, the tribunal is required to notify the parties about any right of appeal they may have.

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.

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.

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.

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.

If the tribunal refuses to grant permission to appeal, a further application for permission may be made to the Upper Tribunal (Lands Chamber).

Schedule of Applicants	
Spora Mudute-Nduml	oa (Flat 45)
Charmain Gunnis (Fl	at 46)
Valentina Cardo (Flat	51)
Gregory Russell (Flat	52)
Hannah Collins (Flat	53)
David Rowntree (Flat	54)
Errol Lynch (Flat 55)	
Hilary Ennos and Isaa	c Smith (Flat 60)
Kamila Kuznik & Hars	shil Bhayani (Flat 61)
Arvinder Gill & Inderj	it Gill (Flat 64)
Asra Mansoor (Flat 67	7)
Shelina Prabatani (Fla	at 68)
Stephen Kass (Flat 71)	1
Helen Liddell (Flat 72)
Gabriel Barbalata (Fla	t 75)
Andrew Binks (Flat 76	o)
Jordan Clarke (Flat 77	7)
Pooi Mun Gan and Th (Flat 78)	omas Wilson
Rahmatullah Lallman	node (Flat 79)
Peter Squires (Flat 80 Farhan Razzaq and Af (Flat 81)	
Lisa Ross (Flat 84)	
Victoria Olatunde (Fla	nt 85)
Muhammad Irfan & R	ubia Javeed (Flat 86

Elena De-Lorenzo (Flat 88)	
Neha R Shah (Flat 89)	
Keir Doubas (Spitia Ltd) (Flat 90)	
Amber Hunt & Stephen Williams (Flat 91)	
Saulius Lebednykas (Flat 92)	
David Thistleton (Flat 93)	
Kate Donaghy (Flat 94)	
Godwin Ademefun (Flat 96)	
Bartosz Bobin (Flat 98)	
John Burns (Flat 100)	
Marc Sherratt (Flat 102)	
Rasa Maleckiene (Flat 104)	
Patrick Hobbs (Flat 105)	
Rishi Ramjotton (Flat 106)	
Christopher Marsh (Flat 113)	