FIRST-TIER TRIBUNAL
PROPERTY CHAMBER
(RESIDENTIAL PROPERTY)

Case Reference	**:**	**CHI/00HB/LSC/2023/0111**
Property	**:**	**Cabot 24 Apartments, 3 Surrey Street, Bristol BS2 8PS**
Applicants	**:**	**The leaseholders as set out in the list below.**
Representative	**:**	**Laura Briggs**
Respondent	**:**	**Places for People Living+ Limited**
Representative	**:**	**Residential Management Group (RMG)**
Type of Application	**:**	**Application for a determination of liability to pay and reasonableness of service charges under Section 27 A of the Landlord and Tenant Act 1985**
Tribunal	**:**	**Judge T.Hingston**
		P. Smith FRICS
	:	**T. Wong**
Date of Decision	:	**2nd July 2024**

LIST OF APPLICANTS

Flat No.	Name
1	Martyn Hewins
2	Duncan and Lynne Arlow
3	Teresa Reith
6	Simon Slater
7	Ranjit Bains
9	Victor Alonso Arroyo & Lucia Diaz Sanchez
11	Anna Szymanska
12	Monika Nowak
15	Jes Oliphant
16	Deborah Bracken
17	Charlie Derricourt & Laura Briggs
24	Andrew Derrick

DECISION

The Tribunal finds that the majority of the service charge costs in dispute (namely the £18,239 arrears of electricity charges which were demanded from the leaseholders on the 23rd of August 2023, supposedly in respect of the period 1st January 2022 to 31st December 2022,) were in fact incurred more than 18 months before the demand was issued, and therefore under Section 20B of the Landlord and Tenant Act 1985 the leaseholders are not liable to pay them.

Further, it is ordered that no part of the £3,582.48 'Security deposit' demanded by British Gas for non-payment of bills, or of the £90 'Reconnection charge', is payable by the Applicants as part of their service charge.

The Tribunal determines that only the cost of electricity for the period from 23rd February 2022 to 31st December 2022 (i.e. those costs incurred during 2022 which fall within the 18 months prior to the demand) are payable by the Applicants in respect of that service charge year. The Tribunal calculates that this amounts to £3,230 in total.

The Tribunal further finds that the 'Management fee' element of the service charge for the relevant year, 2022, is not payable in full because the service provided was not of a reasonable standard. It is ordered that only 25% of this fee is payable by the Applicants, i.e. £1,013 in total.

Accordingly, a schedule showing the amount of service charge ordered to be paid by each Applicant, as per their percentage share, is attached hereto.

BACKGROUND

1. The Property in this case was previously an office block, which was converted into 24 residential units in 2016. The units were let on 125 year leases. The building is owned by 'Places for People Living+ Limited' and managed by the Residential Management Group (RMG)

2. The 12 Applicant leaseholders have made an application for determination of liability to pay and reasonableness of service charges for the year ending 31st December 2022. The application, which was received on 25 September 2023, particularly relates to extra charges for electricity.

3. The Applicants further seek orders pursuant to Section 20C of the Landlord and Tenant Act 1985 (in relation to limitation of costs of proceedings) and paragraph 5A of Schedule 11 of the Commonhold and Leasehold Reform Act 2002 (in relation to Administration charges).

4. Directions were issued on 29 November 2023, listing the application for a case management and dispute resolution hearing on 9 January 2024.

5. Following the Case Management Hearing on the 9th January 2024 further Directions were issued, and the matter came before the Tribunal for full hearing on the 30th March 2024.

6. Further documentation was requested from both parties by additional Directions issued after the hearing, and the decision has now been finalised.

THE LEASE

7. Copies of the Lease were provided in the Respondent's bundle and the Landlord's Covenants are set out in Clause 5, which requires the Landlord '*to provide and carry out the Services in accordance with Schedule 6*' .

8. Thereafter the main provisions as to Service charges are contained in Clause 3 'Leaseholder's Covenants' and Schedule 6 'Service charges'.

9. Clause 3 requires the Leaseholder : -

'3.3.1 To pay Outgoings.

3.3.2 To refund to the Landlord on demand (where Outgoings relate to the whole or part of the Estate or other property including the Premises) a fair and proper proportion attributable to the Premises, such proportion to be conclusively determined by the Landlord (who shall act reasonably).'

10. Schedule 6 deals with Service charges in detail, defines 'Service costs' and requires the Landlord to keep proper records of those costs. It states that: -

'3.4..1....as soon as practicable after an Accounting Date (the Landlord) shall submit to the Leaseholder an Account Statement for the Accounting Period ending on that Accounting Date.'

11. Para. 3.4.3 provides that:

'If the Account Statement shows that -
(a) a balance of Service Charge is due from the Leaseholder, the Leaseholder shall pay such balance to the Landlord within 14 days of receipt of the Account Statement; and

(b) a refund is due to the Leaseholder, such refund shall during the Term be set off against future Estimated Service Charge Payments. Following the determination of the Term (it shall) be set off against any other monies due from the Leaseholder to the Landlord and the balance (if any) paid to the Leaseholder.'

RELEVANT LAW

Landlord & Tenant Act 1985 (as amended)

Section 19 - Limitation of service charges: reasonableness

(1) Relevant costs shall be taken into account in determining the amount of a service charge payable for a period—

(a) only to the extent that they are reasonably incurred, and
(b) where they are incurred on the provision of services or the carrying out of works, only if the services or works are of a reasonable standard; and the amount payable shall be limited accordingly.

(2) Where a service charge is payable before the relevant costs are incurred, no greater amount than is reasonable is so payable, and after the relevant costs have been incurred any necessary adjustment shall be made by repayment, reduction or subsequent charges or otherwise.

Section 20B – Limitation of service charges: time limit on making demands.

(1) If any of the relevant costs taken into account in determining the amount of any service charge were incurred more than 18 months before a demand for payment of the service charge is served on the tenant, then (subject to subsection (2)), the tenant shall not be liable to pay so much of the service charge as reflects the costs so incurred.

(2) Subsection (1) shall not apply if, within the period of 18 months beginning with the date when the relevant costs in question were incurred, the tenant was notified in writing that those costs had been incurred and that he would subsequently be required under the terms of his lease to contribute to them by the payment of a service charge.

Section 27A - Liability to pay service charges: jurisdiction

(1) An application may be made to the appropriate tribunal for a determination whether a service charge is payable and, if it is, as to—
(a) the person by whom it is payable,
(b) the person to whom it is payable,
(c) the amount which is payable,
(d) the date at or by which it is payable, and
(e) the manner in which it is payable.

(2) Subsection (1) applies whether or not any payment has been made.

(3) An application may also be made to the appropriate tribunal for a determination whether, if costs were incurred for services, repairs, maintenance, improvements, insurance or management of any specified description, a service charge would be payable for the costs and, if it would, as to—
(a) the person by whom it would be payable,
(b) the person to whom it would be payable,
(c) the amount which would be payable,
(d) the date at or by which it would be payable, and
(e) the manner in which it would be payable.

(4) No application under subsection (1) or (3) may be made in respect of a matter which—
(a) has been agreed or admitted by the tenant,
(b) has been, or is to be, referred to arbitration pursuant to a post-dispute arbitration agreement to which the tenant is a party,
(c) has been the subject of determination by a court, or
(d) has been the subject of determination by an arbitral tribunal pursuant to a post-dispute arbitration agreement.

(5) But the tenant is not to be taken to have agreed or admitted any matter by reason only of having made any payment.

HEARING

12. The hearing took place at Havant Justice Centre on 20th March 2024. It was attended via video link by Laura Briggs and Victor Alonso Arroya for the Applicants, and Marcello Amodeo, Paul Hitchens and Karen Carruthers of RMG Group Ltd for the Respondent.

APPLICANT'S CASE

13. The Applicants set out their argument by way of the Application form, a written Statement of Case dated 20th February 2024, and by oral evidence and submissions at the hearing.

14. The questions for the Tribunal, as set out on the Application form, were as follows: -

'Is it reasonable that tenants are invoiced for an electricity bill backdated to 2016, due to the negligence and failure to act of the landlord's management company (RMG) in non-payment of the supplier?
Were the management company's procedures adequate for assessing and controlling costs in respect of energy supply, and if not, is it reasonable for the costs to be passed to tenants? '

15. It was agreed between the parties that during the period from 2016 – 2021 the electricity suppliers, British Gas, had not been provided with a business address for the landlords, and therefore they had just sent regular invoices to 'The Occupier' of the building at Cabot24 Apartments. These invoices had never been paid because they had remained unopened in the communal hallway: hence there was an accrued debt (as at 9th February 2022, when the meter was finally read) of £16,010.28 [Page 172 of the bundle].

16. Mr. Arroyo gave evidence that he had been concerned about the bills addressed to 'The Occupier' which had been building up (over many months, or even years) in the communal hallway. In about 2019 or 2020 he had tried forwarding some of the bills to RMG, and he had also contacted them about the problem, but he never received a satisfactory answer. Some of the bills he had 'returned to sender.

17. On the 8th of December 2021 the Applicants received a letter from RMG with an Invoice for the 2022 service charges '*in advance*', and a 'Statement of Anticipated Expenditure' for the year 1st January 2022 - 31st December 2022. Each resident was billed for their percentage share of the expenses, and the amount attributable to 'Electricity' was £1,230. The total amount payable for service charges at that time (for Ms. Briggs and Mr. Arroyo) was £2,117.24 each.

18. Both Ms. Briggs and Mr. Arroyo stated that they (the Leaseholders) had always paid their service charges on demand and in full during the period 2016– 2021, and so they they both paid the amounts demanded.

19. However, on 10th February 2022 the electricity to the building was disconnected by British Gas, due to continuing non-payment of bills even after payment requests had been sent directly to RMG. The disconnection of the electricity also affected the pump which operated the water supply to the building.

20. Mr. Arroyo told the Tribunal that as a result of the electricity being cut off, he and his family had suffered a day or two without any water, which was extremely difficult because they had a small baby at the time. When he contacted RMG to ask why the water had been cut off he was told that it was as a result of 'road works' nearby, and he only found out the true situation sometime later.

21. In fact a reading had finally been taken from the meter in the building on the 9th February 2022. RMG succeeded in getting the electricity reconnected, and they eventually resolved the address issues and the out-standing bills with British Gas.

22. The Applicants then received a letter/demand from RMG dated 23rd August 2023 for an extra payment (described as a '*Balancing charge*'), which related to their

proportion of a substantial out-standing electricity bill - supposedly from the previous year.

23. The letter stated that these additional charges had arisen from the '*SCA Building Deficit*' of £25,313 during the period January 1st 2022 - 31st December 2022. The 2022 'Statement of Account' was enclosed [Page 262 – 273 of the bundle], and the amount shown for 'Actual' costs of Electricity in 2022 [page 264] was £18,539. The proportions payable by Ms. Briggs and Mr. Arroyo by way of extra payment were £1,571.09 each.

24. Ms. Briggs told the Tribunal that she was shocked by the extra demand because normally her annual service charges were approximately £2,000 - £2,500 in total, and she had already paid £2,117.24 for that year. Together with the additional payment that made a total of £3,688.33. Ms Briggs knew that there had always been an annual figure charged for '*Utilities – Electricity'* in the past, but she had not appreciated that each year the figure had been 'reversed' because she had not examined in detail the RMG account figures on their portal.

25. When Ms. Briggs contacted RMG to query the additional charge she was told at first that the exceptionally large amount was due to 'rising energy costs'. Later, RMG claimed that the site had been incorrectly billed against the wrong meter. Only after further correspondence did they eventually send her copies of the British Gas invoices and admit that there had been a problem with the address.

26. Ms. Briggs had been obliged to incur debts in order to pay off the extra charge.

27. The Account Statement for the relevant year (2022), which showed the outstanding amount for Electricity as £18,539, also contained the following note: -

'Section 20B Notification:
Pursuant to Section 20B of the Landlord & Tenant Act 1985 (As Amended) notice is hereby given that the costs detailed in the Income & Expenditure account have been incurred in the period and that the lessees will be required to contribute to them by payment of an additional Service Charge to the extent that they exceed amounts already paid on account.'

28. The Applicants challenged the reasonableness of the service charge, which they said had resulted from mismanagement on the part of RMG. Ms. Briggs described RMG's accounting as 'opaque', and stated that:-

'*RMG have failed in their basic administration responsibilities - to adequately set up accounts with relevant suppliers, and to understand expected costs for this size of building (and query a suspicious annual underspend).'*

29. The Applicants further argued that the Respondents should not be permitted to manipulate and construe Section 20B of the Landlord and Tenant Act 1985 (as above) so that it did not apply in these particular circumstances. They submitted that Section 20B was intended to protect tenants from late billing and unexpected and back-dated charges, and that it did apply in this case. They therefore argued that, although they did not dispute the reasonableness of the actual electricity charges, costs billed and

'incurred' more than 18 months before the demand should not be payable, as per Section 20B(1).

30. Copies of the following documents were provided to the Tribunal by the Applicant Ms. Briggs in accordance with further Directions:-

(i) RMG 'Invoice' dated 7th December 2021, which requested £2,117.23 from Ms. Briggs in respect of the total Service charges for the year 2022 in advance (including £69.10 for electricity) and

(ii) Letter from RMG to Ms. Briggs dated 23rd August 2023, which referred to the SCA Building 'deficit' of £25,313 in the year ending 31st Dec. 2022 and demanded £1,571.09 from her in respect of that deficit (less a surplus of £160.90 for 'Insurance').

RESPONDENT'S CASE

31. The Respondents filed a Position Statement dated 1st January 2024, a Statement of Case dated 31st January 2023 (presumably this should be 2024?), and a 'Reply' dated 5th March 2024. Oral evidence was also given and submissions made by Mr. Amodeo.

32. RMG (on behalf of the Landlords) gave an explanation of the history of how the demand for the electricity charges came about. It was said that the invoices from British Gas were '*in the incorrect recipient's name*' and were therefore 'invalid', but it was acknowledged that these invoices had remained unopened in the communal hallway of the building from 2016 onwards. Mr Amodeo, for his part, stated that he had only recently become aware of this fact.

33. It appeared that Kevin Traynor of RMG had been in correspondence with Vicky Haynes of British Gas since October 2020. An email from Ms. Haynes to Mr. Traynor dated 19th October 2020 (Page 181 in the bundle) referred to a telephone conversation between them that day, detailed the outstanding balance of £11,863.59, and requested proof of ownership from the time that the site was acquired in order for British Gas to update their contact information correctly. It was not clear why this email had not been actioned at the time but Mr. Traynor was no longer with the company.

34. In any event, further correspondence between British Gas and RMG during 2021 apparently failed to resolve the issues satisfactorily. Mr. Amodeo confirmed that no payment was made and, despite an email from Sayed Hasan Ahmed of British Gas to Mr. Traynor dated 7th December 2021 (Page 174 of the bundle), which warned: -

'... in order to prevent disconnection please clear outstanding balance on account...'

the invoices remained outstanding and the disconnection went ahead on 10th February 2022 as above.

35. Mr Amodeo could not explain why no-one at RMG had noticed the situation with the electricity at Cabot24 Apartments prior to 2020/2021. He confirmed that RMG manage thousands of similar properties and he conceded that there had been justified

criticism of their handling of the issue of electricity in this case, but he argued that the Application was only in respect of the 'payability' of the service charges and did not relate to alleged mismanagement.

36. In oral evidence Mr. Amodeo was unable to give any explanation for how the '*Actual*' and '*Budgeted*' figures had been calculated for the 'Electricity' entries on the annual Statements of Account, but he stated that each year these figures had been 'accrued' and then 'reversed.'

37. It was submitted that the Applicants had benefited from the electricity during the years from 2016, and that there was no question on the reasonableness of the cost itself.

38. So far as the different elements of the British Gas invoice were concerned, Mr, Amodeo stated that some of the 'Security deposit' had been refunded as a result of complaints from the Leaseholders. No detail was given as to how much had been refunded or to whom.

39. Overall the apportionment of service charge costs between the residential units was said to be '*fair and reasonable*' as per the provisions of the Lease: the percentages had been calculated according to floor area. (Evidence was provided as to what percentage was paid by each of the Applicants.)

40. It was further stated by Mr. Amodeo that he had been under the impression that the Application related only to one year, to the service charges for 2022, and therefore he had not reviewed the costs during the preceding 6 years.

41. Mr. Amodeo submitted that RMG had done their best to remedy the electricity problem, and he confirmed that they had provided the correct address and contact details to British Gas on the 6th of October 2021. He said that the invoices were not payable until they were made out in the correct name.

42. As to time limits for making the demand, the case of *OM Property Management Ltd v. Burr [2013] EWCA Civ 479* was cited as authority for the proposition that the electricity costs had only been 'incurred' (for the purposes of Section 20B) when the invoice with the correct landlord's name and details was received on 10th February 2022 -
'...subject to the time the Service Charge entered a deficit state for the 2022 period. Following calculations of this, the deficit arose from 21 March 2022. The year-end deficit for 2022 was notified to the Applicants on 23 August 2022, which is within the 18-months from when the electricity cost was incurred.' (Statement of Case Para 27.)

43. The Statement of Case further reads as follows: -
(Para. 25) 'The Respondent denies that the cost was "incurred" outside of the 18-month period because the invoices from British Gas were disputed. The billing name and address on all invoices was incorrect up until the invoice received for the cost, dated 10 February 2022. This, therefore, identifies that all the invoices were invalid, resulting in a legitimate reason for not paying any of the invoices, although, it must

be stated that payment was only made on 11 February 2022 due to British Gas disconnecting the electricity supply.'

(Para 27)
For clarity, the 18-month rule comes into play when the total budget is surpassed by the actual costs incurred. At the point of 10 February 2022, the budget had not been surpassed and was effectively in a surplus state; meaning that costs were not effectively incurred by the Respondent at that point in time.

As an example where a year ends in a surplus, the budgeted charges cover the sums expended within the year, hence it would not be necessary for a Section 20B(1) demand (e.g. a demand of the charges actually incurred within an 18 month period), to be issued. In essence, no costs would be incurred because the budget covers all of them.'

44. The Respondents therefore contended that the demand of 23rd August 2023 was within the 18-month limit and the service charges were payable in full.

45. In respect of the Applications for limitation of costs of the proceedings (Section 20C of the Landlord and Tenant Act 1985) and Administration charges (Paragraph 5A of Schedule 11 of the Commonhold and Leasehold Reform Act 2002),the Respondents indicated that they would not be seeking to recover such costs by way of charges from the Leaseholders and they did not oppose the Applications.

46. In response to further Directions, the Respondents provided a brief additional statement and a document setting out the '*Electricity Expenditure'* for the period from 1st January 2020 to 31st December 2021, which was not relevant to the determination.

47. The Respondents later provided (via email to the Tribunal dated 19th April 2024) a British Gas bill for £1,597.83, which covered the period from 9th February 2022 (when a meter reading had been taken) to 30th September 2022 and included a breakdown of monthly costs during that 8-month period.

48. Only in response to yet further Directions did the Respondents eventually provide (via email dated 21st June 2024) a 'table' from British Gas, which appeared to confirm the actual electricity charge of £1,597.83 for the period from 09.02.22 – 30.09.22, and an electricity charge of £2,601.91 for the period from 1st October 2022 - 28th January 2023. (Total £4,199.74 for that 13-month+ period).

DETERMINATION AND FINDINGS.

49. The Tribunal is satisfied that the primary issue in this case is whether the demand for payment was made within 18 months of when the costs were 'incurred', and whether the 2022 service charges are therefore payable in accordance with Section 20B. Any question of 'reasonableness' of the charges only arises once the matter of 'payability' has been determined.

50. Upon careful consideration of the case of *OM Property Management* (as above) the Tribunal finds that the costs in this particular case were 'incurred' for the purposes of Section 20B each successive year, upon presentation of the invoices by British Gas, as explained below.

51. As quoted by the Master of the Rolls in Paragraph 8 of his judgement on the OM Case, H.H.Judge Mole in the Upper Tribunal stated as follows: -
*'23. In my judgement the true answer is that as a matter of the interpretation of Section 20B, 'costs' are 'incurred' **on the presentation of an invoice** or **on payment**; but whether a particular cost is incurred on the presentation of an invoice or on payment may depend upon the facts of the particular case.'* (Our emphasis).

52. The Master of the Rolls went on to say, at Para. 11: -
'...as a matter of ordinary language, a liability must crystallise before it becomes a cost.'

53. At Para 15 he stated:
'In my view, therefore, costs are not "incurred" within the meaning of **section 18, 19 and 20B** *on the mere provision of services or supplies to the landlord or management company. Like the Upper Tribunal, I do not find it necessary to decide whether costs are incurred on the presentation of an invoice (or other demand for payment) or on payment. This interpretation accords with the natural and ordinary meaning of the words and is strongly supported by section 19(2).'*

54. In the OM case a distinction was drawn between a 'liability' and an actual 'cost'.

55. The OM Property Management Company in that case had read the meter every year during the relevant period, and had then submitted the reading to the wrong energy provider, who in turn sent out an invoice which the company paid. Each year the resulting bill was passed on to the leaseholders as part of their service charge. Following discovery of the erroneous payments, these monies were ultimately repaid by EDF Energy to the correct provider, Total Gas and Power Limited.

56. The disputed service charge in the OM case was, on our reading of the matter, not in respect of those annual bills over the preceding years (which arguably had been invoiced and paid for and thus had been 'incurred' more than 18 months before the demand) but in respect of the new invoice which was generated by Total.

57. This new figure represented the *difference* between the amount which had already been paid to the incorrect provider (EDF Energy) and the 'balancing' amount which was claimed by the actual provider Total. Thus the demand in dispute was for costs which had *not* been invoiced before: these additional costs were only 'incurred' when Total submitted an invoice to correct the amount, which fell within 18 months of the date when the demand was sent to Mr. Burr.

58. The Tribunal distinguishes the subject case on its facts from the OM case. In this case the electricity had been invoiced at regular intervals by British Gas, and each year the cost could be said to have been payable and thus 'incurred'. There was no new or

'balancing payment' involved. Although the invoices were not addressed to RMG directly, this was the fault of RMG themselves, who had failed to notify the utility providers of their interest in the building.

59. The Tribunal does not accept that these invoices were 'invalid': they were valid invoices for the cost of electricity, sent at appropriate intervals to the address where the electricity supply was being used.

60. In respect of the Respondent's argument that the costs were only 'incurred' once the budget surplus was exhausted, the Tribunal finds that this is an artificial construction of the statute. Such an argument ignores the principle that costs may be 'incurred' when an invoice is submitted – regardless of whether there are funds available to pay it.

61. With the exception of the period from 23rd February 2022 to the end of the service charge year on 31st December 2022, the Tribunal finds that all of the other electricity costs in the demand of 23rd August 2023 were 'incurred' outside the 18-month period for the purpose of Section 20B(1).

62. The question of Section 20B(2) then arises. Were the 'tenants' (leaseholders) notified in writing that those costs had been incurred and that they would subsequently be required under the terms of their lease to contribute to them by the payment of a service charge? The answer to this question must be 'No'. The leaseholders (as above) had been under the impression that they were paying regular amounts for electricity as set out in the annual Service Charge Accounts. They had no notice of the outstanding bill at all until they received the 2022 'Statement of Account' (with its 'Note' referring to Section 20B) and the additional service charge demand, on 23rd August 2023.

63. In the light of this finding - that much of the disputed service charge is not payable because of the 18-month time limit - the Tribunal is not required to make a determination as to whether those particular costs were 'reasonably incurred'. In any event there is no dispute as to the reasonableness of the actual electricity costs.

64. However, the question of adequacy of the management of the building during the specified service charge year (i.e. 2022) was raised by the Leaseholders on Page 12 of their Application. Although any question of actual negligence is within the jurisdiction of the County Court rather than of the Tribunal, the standard of management is relevant to the question of whether or not costs for services were 'reasonably incurred' and whether the services provided were 'of a reasonable standard' (Section 19(1)(b)).

65. According to the Service Charge accounts for that period (1st January - 31st December 2022, at Page 266 of the bundle) the Management fee for 2022 was £4,052.

66. Given the failings of RMG which led to the electricity being cut off in February 2022, and the misleading and incorrect information which was provided by RMG to the Applicants, the Tribunal finds that the management service that year was not of a reasonable standard (Section 19 as above). Accordingly it is determined that only 25% of the Management fee is payable (i.e. £1,013), and each of the Applicants is liable to

pay their respective percentage share of that figure by way of service charge. (see schedule.)

CONCLUSION

67. In respect of the disputed service charges for the year 1st January 2022 to 31st December 2022, the Tribunal determines that each Applicant is liable to pay an amount for the 'Buildings' costs - 'Electricity' and 'Management Fee' as set out in the Schedule attached hereto.

68. Because of the unsatisfactory and inexact nature of the material provided by the Respondent, the amount of the electricity charges for the period 23.02.22 – 31.12.22 (a period of just over 10 months) had to be calculated by taking the average monthly figure from the British Gas bills produced in respect of the period from February 9th 2022 - 23rd January 2023 (a period of just over 13 months).

69. The average monthly figure as above worked out at £323.06, so for the 10-month period in question it is determined that the total amount payable for electricity is £3,230. Each of the Applicants is ordered to pay their usual percentage share of the total for that year.

70. The figure for the Management fee in 2022 is reduced by 75% as referred to above, so that each of the Applicants is ordered to pay their percentage share of the £1,013 total.

71. Other elements of the service charges for 2022 remain unchanged, and no findings are made as to the Car-Parking, Insurance etc. which were not disputed or referred to in the Application.

72. In respect of the unopposed Applications under Section 20C of the Landlord and Tenant Act 1985 (limitation of costs of proceedings) and paragraph 5A of Schedule 11 of the Commonhold and Leasehold Reform Act 2002 (in relation to Administration charges), Orders are made as requested.

July 2024

RIGHTS OF APPEAL

1. A person wishing to appeal this decision to the Upper Tribunal (Lands Chamber) must seek permission to do so by making written application by email to rpsouthern@justice.gov.uk to the First-tier Tribunal at the Regional office which has been dealing with the case.

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

3. If the person wishing to appeal does not comply with the 28 day time limit, the person shall include with the application for permission to appeal a request for an extension of time and the reason for not complying with the 28 day time limit; the Tribunal will then decide whether to extend time or not to allow the application for permission to appeal to proceed.

4. The application for permission to appeal must identify the decision of the Tribunal to which it relates, state the grounds of appeal, and state the result the party making the application is seeking.