



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

**Case reference** : **LON/00AL/LSC/2024/0163**

**Property** : **Flat 1,2 and 6, 110 Samuel Street,  
London, SE18 5LN**

**Applicants** : **Patricia Okonye  
Chitua Uwaoma Aguoru  
Bilal Mahmood**

**Representative** : **Patricia Okonye (Litigant in person)**

**Respondent** : **Greenfield Living Limited**

**Representative** : **Joshua Cullen, Counsel, instructed by  
LMP Law Ltd**

**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 Bernadette MacQueen  
Alison Flynn, MA, MRICS  
Mr Miller**

**Venue** : **10 Alfred Place, London WC1E 7LR**

**Date of hearing** : **25 September 2024**

**Date of decision** : **14 October 2024**

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**DECISION**

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## **Decisions of the Tribunal**

- (1) The Tribunal determined the service charges payable by the Applicants in respect of the disputed items for service charge years 31 July 2021 to 30 July 2022, 31 July 2022 to 30 July 2023 and future year 31 July 2023 to 30 July 2024 as set out below and summarised at page 77 of this Decision.
- (2) The Tribunal made the determinations as set out under the various headings in this Decision.
- (3) The Tribunal made an order under section 20C of the Landlord and Tenant Act 1985 so that none of the landlord's costs of the Tribunal proceedings may be passed to the lessees through any service charge.
- (4) The Tribunal made an order to reduce or extinguish the tenant's liability to pay an administration charge in respect of litigation costs under paragraph 5A of Schedule 11 to the Commonhold and Leasehold Reform Act 2002.
- (5) The Tribunal determined that the Respondent shall reimburse the Applicants within 28 days of this Decision for the Tribunal fees that they paid.

## **The Application**

1. The Applicants sought a determination pursuant to s.27A of the Landlord and Tenant Act 1985 ("the 1985 Act") as to the amount of service charges payable by them in respect of the service charge years 31 July 2021 to 30 July 2022, 31 July 2022 to 30 July 2023 and future year 31 July 2023 to 30 July 2024.
2. The Applicants also sought an order for the limitation of the landlord's costs in the proceedings under section 20C of the Landlord and Tenant Act 1985 and an order to reduce or extinguish the tenant's liability to pay an administration charge in respect of litigation costs under paragraph 5A of Schedule 11 to the Commonhold and Leasehold Reform Act 2002.

## **The Hearing**

3. The Applicants appeared in person, with Patricia Okonye speaking on behalf of all of the Applicants, and the Respondent represented by Joshua Cullen, counsel.
4. Neither party requested an inspection of the property and the Tribunal did not consider that one was necessary, nor proportionate to the issues

in dispute. Photographs of the property were contained within the bundles that the Tribunal was provided with.

5. Both parties provided a bundle of documents for use at the hearing. The Applicants' bundle consisted of 294 pages and the Respondent's bundle consisted of 388 pages. The broad content of both bundles was the same and so, with the agreement of the parties, the Tribunal agreed to use the Applicants' bundle but to refer to the Respondent's bundle in the event that a document that was within that bundle was not duplicated within the Applicants' bundle.

## **The Background**

6. The property which was the subject of this application (110 Samuel Street, London, SE18 5LN) was a mid 19<sup>th</sup> century 3 storey property which had been converted to create six flats. The Applicants owned the leasehold interest of their respective flats (Flats 1, 2 and 6), and the Respondent landlord had acquired the freehold interest for the property in 2017, and also owned Flats 3, 4 and 5.
7. The Respondent had appointed Parkfords Management Limited to manage the property.
8. The Applicants each held a long lease of the property which required the landlord to provide services and the tenants to contribute towards their costs by way of a variable service charge.

## **The Lease**

9. It was not disputed that the Applicants had leases in the same terms, however, only the lease for Flat 2 was contained within the bundle (pages 204 to 217). This lease was dated 31 August 2007 and was made between Rose Properties UK Ltd and Patricia Titi Okonye. The relevant clauses of the lease were as follows:
  10. Clause 3 (i) stated that the lessee covenants with the lessor:

“To pay the reserved rent on the day and in the manner aforesaid together with a service charge being proportionate sum of the total costs to the Lessor in complying with his covenants under clause 6(d) and (e) hereof and the Lease shall pay sum of £450.00 on the 31 July in every year on account of the costs to be expended by the Lessor or such greater amount as the Lessor shall reasonably require”
  11. Clause 6 (d)

“To keep the external structure of the property including the foundations and roof (Excepts The Roof of the 2<sup>nd</sup> Floor Flat) in good and tenable repair and condition and to paint all exterior paintwork at least once in every three years and shall keep the drains and sewers on the property free from obstruction and cleansed and to keep the common parts and the service conduits in good repair and condition and rebuild and replace any parts that require to be rebuilt or replace (common parts means part of the property not comprised in this Lease or any other Lease of a part of the property granted or to be granted) and to keep the external parts lighted and to keep and maintain in repair and in good working order any gates (electrical or otherwise) and all paths and access ways”

12. Clause 6(e) provided:

“To insure and keep insured the Property during the term hereby granted against loss or damage by fire and storm tempest and any other comprehensive risk including subsidence heave and land slip in an insurance office of repute to the full value thereof and to make any payments necessary for the above purposes within seven days after the same shall respectively become payable and to produce to the tenant on demand a policy or policies of such insurance and the receipt for every such payments”

### **The Issues**

13. At the start of the hearing the parties identified the relevant issues for determination as set out in the Schedule at pages 34 to 45 of the Applicants’ bundle.

### **Agreed Issue - Fire Alarm Upgrade - £6,555 Service Charge Year 2022/23**

14. Within the schedule, at page 39 the Applicants stated that they would pay the quoted amount for fire alarm update which was £5,700.
15. The Respondent confirmed that they would only be seeking £5,700 rather than £6,555.
16. Additionally, the Respondent confirmed that they accepted that they would need to start the section 20 process for the service charge year 2023/24 again. Amendment was therefore made to this and is dealt with below at paragraphs 69 to 77.

### **Disputed Issues**

17. The Tribunal made findings on the items in dispute as set out in the Schedule at pages 34 to 45 of the Applicants’ bundle. The Tribunal heard

evidence, submissions and considered all of the documents provided by the parties. The Tribunal made determinations on the various issues as follows:

**Pest Control - £264 (Service Charge Year 31 July 2021 to 30 July 2022)**

18. The Applicants told the Tribunal that they did not believe this amount was payable because it was their belief that the treatment had been completed in flats 3, 4 and 5 (the Respondent's Flats) rather than in any common parts. The Applicants further pointed out that the invoice for this work (page 52) was addressed to "Green Property" rather than the managing agent, Parkfords. The Applicants submitted that as Parkfords were appointed as the managing agent, it was their responsibility to instruct repairs to be completed and invoices should be sent to them. In their view this demonstrated that this work was only for the benefit of the Respondent and his flats.
19. In reply on behalf of the Respondent, Thorstein Thorsteinsson, confirmed that the three flats at the front of the Property (flats 3, 4 and 5) were affected and therefore treatment was necessary. In relation to the invoice being addressed to Green Property, the Respondent stated that this was a mistake, but that Parkfords had been contacted and were aware of the work taking place, however it was Green Property that had arranged the work and so the invoice was sent to them. The Respondent confirmed that ultimately the invoice was paid by Parkfords and formed part of the service charge.

**Tribunal Decision – Pest Control - £264**

20. The Tribunal found that this amount was payable. Clause 6(d) of the lease required the Respondent to ensure that the common parts of the property were maintained. Whilst the German Roach treatment had focused on three flats that were owned by the Respondent, the Tribunal found that it was incumbent upon a responsible landlord to ensure that such infestation was treated in order to maintain the property. The Tribunal therefore found that this work fell within clause 6(d) of the lease as the Respondent was required to keep common parts maintained.
21. In relation to the invoice being address to Green Property, whilst the Tribunal acknowledged that this was clearly not best practice to invoice a company that was not the managing agent, the Tribunal did not accept the Applicants' position that this meant that the work could not form part of the service charge. The Tribunal was satisfied that the invoice was included within the service charge accounts for the property and that the German Roach treatment properly formed part of the Respondent's obligation under the lease.

22. The Tribunal therefore found this amount payable. In terms of the reasonableness of the amount, the Tribunal was not presented with any alternative quotations or any evidence to show that the amount charged was not reasonable. Using its own expert knowledge, the Tribunal found that £264 for this pest control was a reasonable charge and therefore was payable.

**Rubbish Removal - (Service Charge Year 31 July 2021 to 30 July 2022 -£510 and 31 July 2022 to 30 July 2023 - £384)**

23. The Applicants told the Tribunal that it was their view that the rubbish which was collected under these charges actually came from flats 3, 4 and 5. In relation to the 2022/23 amount of £384 the Applicants told the Tribunal that the rubbish was left from the refurbishment of flats 3 and 5. In relation to the 2021/22 amount of £510, the Applicants told the Tribunal that this was rubbish from flats 4 and 5. Additionally, the Applicants stated that in July and August 2021 the managing agent had written to each flat to say that the cost of the rubbish removal was to be paid by the person who had left the rubbish, it was therefore inappropriate to now include this charge as a service charge. The Tribunal was also referred to photographs at page 147 to 149 of the Applicants' bundle which the Applicants submitted showed rubbish removed from flat 3 and 5. Additionally at page 151 the Applicants pointed out an email from Patricia Okonye dated 13 September 2021 sent to Parkfords which explained that the rubbish was from refurbishment of flat 5. The Applicants therefore did not accept that these costs were payable as a service charge.
24. The Respondent told the Tribunal that the removal of this rubbish was part of the landlord's obligation to maintain the common parts. The landlord was therefore obliged to remove the rubbish and this was payable as a service charge.

**Rubbish Removal - (Service Charge Year 31 July 2021 to 30 July 2022 -£510 and 31 July 2022 to 30 July 2023 - £384)**

25. The Tribunal accepted the evidence of the Applicants and found that the rubbish was attributable to flats 3, 4 and 5, particularly from refurbishment that had taken place. In reaching that finding the Tribunal accepted the Applicants' evidence that they had not left the rubbish in the common parts and that the rubbish was conducive with flat refurbishment. The Tribunal therefore found that although the rubbish was left in the common parts this did not mean that it was rubbish that should be charged as part of a service charge given that the rubbish was removed from flats 3, 4, and 5. It was therefore reasonable that the responsibility for the removal of this rubbish fell to those flats and the fact that the rubbish was placed in the communal area did not make it payable by the Applicants as a service charge.

26. The Tribunal therefore found the service charges of £510 and £384 were not payable.

**Invoices Ref E4-7 and E4-8 – Service Charge Year 31 July 2021 to 30 July 2022**

27. The Applicants referred two invoices to the Tribunal namely invoice ref E4-7 dated 4 May 2022 for £120 and invoice reference E4-8 for £250. The Applicants submitted that these invoices were not payable as they were billed to Greens Property rather than to the managing agent and therefore it was the Applicants' position that the invoice related only to work that had been completed to the flats owned by the Respondent. The Applicants therefore submitted that these invoices were not payable as a service charge. Moreover, in relation to the invoice for £250, the Applicants stated that this was for work to the ceiling of Flat 3 and therefore should not form part of the service charge in any event.
28. The Respondent's position was that both of these invoices were payable as service charges as they fell under the landlord's obligations under clause 6(d). In relation to the invoice for £250 the Respondent stated that this was not for work to the ceiling of Flat 3 but rather was for the removal of a gate from the roof of the property.

**Tribunal Decision - Invoices Ref E4-7 and E4-8 – Service Charge Year 31 July 2021 to 30 July 2022**

29. The Tribunal considered the invoices at pages 55 and 56 of the Applicants' bundle. The invoice for £120 was described as "110 Samuel st) render outside – sika bond 120£ (materials included)". The Tribunal was satisfied that the description of this work meant that it related to work that properly fell under clause 6(d) of the lease. In relation to the invoice for £250, the work for this was described as "110 Samuel St/clear of [off] from roof large piece of metal". Again, the Tribunal was satisfied that this fell within clause 6(d) of the lease. The Tribunal reached this decision because the invoice for £120 was for work to the outside of the property, and the invoice for £250 was removal from the roof. The Tribunal was satisfied that both of these invoices related to work which came under clause 6(d) of the lease.
30. The Tribunal was not persuaded that because the invoice was addressed to Greensproperty this meant that the work was not a service charge and related only to the flats owned by the Respondent. Whilst the Tribunal would have expected to see the invoices sent to the managing agent, the description of the work on the invoices was clear. Additionally, the invoices were part of the service charge accounts.
31. The Tribunal therefore found this element of the service charge to be payable. In terms of the amount being reasonable, the Applicants did

not provide the Tribunal with any alternative quotations, their position being that the amounts were not payable. The Tribunal, using its own expert knowledge, found that both invoices were reasonable in amount for the work as described in the invoice.

**Invoice E-9 - £1,850 Service Charge Year 31 July 2021 to 30 July 2022**

32. It was agreed by both parties that a leak had occurred and that an insurance claim was made in relation to flat 3. The documentation for this was found at page 154 of the bundle. It was also not disputed that the insurance would not cover all of the work and that was the reason why £1,850 formed part of the service charge.
33. It was the Applicants' position that this amount was not payable as a service charge as the work only related to flat 3. Additionally, the Applicants took the Tribunal to two provisions of the lease, namely 3(3) and 6(f). In relation to 3(3) (page 210 of the Applicants' bundle), the Applicants submitted that the lease stated that the lessee would not repair joists or beams to which the ceiling of the flat was attached without giving notice to the owner of the flat above. The Applicants submitted that this showed that the owner of the flat was responsible for the cost of the repair of joists in their ceiling. In relation to 6 (f)(page 214 of the Applicants' bundle), the Applicants submitted that the lease required the lessor to covenant with the lessee that if the monies received under policies of insurance were insufficient for the full or proper rebuilding and reinstatement of the flat it was the lessee's responsibility to make up the deficiency out of their own money. Therefore, if the joist repair costs in flat 3 were not paid under an insurance claim made by the landlord for the damage in his flat 3, the lessor must make up the money from his own money for the deficiency and not from the service charge fund.
34. The Applicant also told the Tribunal that this issue formed a case that was currently before the County Court.
35. Further the Applicants submitted that because the invoice was sent to Greenfield Living Ltd and not the managing agent, the work was not part of the service charge. Additionally, the Applicants submitted that the address of 110 Samuel Street was only used on the invoice to justify the cost as a service charge item.
36. The Respondent submitted that the insurance company would not cover the work because it was their assessment that the cause of the leak was the deterioration of joists that had happened over several years. It was the Respondent's position that the joints formed part of the building and therefore fell within the definition of service charge under the lease. The joists were between flats and therefore formed part of the structure of the property.



37. In relation to the County Court proceedings, the Respondent confirmed that the proceedings were in relation to a claim brought by the Respondent against a leaseholder regarding damage to flat 3, the allegation being that the damage to flat 3 had been caused by lack of repair to a bathroom. The Respondent confirmed that he was acting in his capacity as the freeholder in order to determine liability for the damage. The Respondent therefore submitted that there was no issue with the Tribunal having jurisdiction to deal with this matter.

**The Tribunal's Decision - Invoice E-9 - £1850 Service Charge Year 31 July 2021 to 30 July 2022**

38. The Tribunal was satisfied that the proceedings within the County Court were to determine liability rather than payability, and accepted both the position of the Applicants and Respondent that this was a separate issue to the one before this Tribunal.
39. The Tribunal accepted the evidence of the Respondent that because the issue was with a joist the clauses within the lease that the Applicants referred to were not relevant. Instead, the issue was with the structure of the building which fell outside the insurance for flat 3 and fell within clause 6(d). In terms of the reasonableness, the Tribunal accepted that the amount charged was reasonable and noted that no other alternative quotations were provided.

**Building Insurance – Service Charge Years 2021/22, 2022/23 and 2023/24**

40. The Applicants asked the Tribunal to consider the building insurance charged in all three disputed service charge years. The amounts were as follows:
- 2022 - £2,597
  - 2023 - £2,731
  - 2024 - £3,000 (budget amount)
41. The Applicants stated that clause 6(e) of the lease required a basic block building insurance, however the landlord had increase the premium by insuring the property in the company name, and including additional cover such as content insurance for £20,000, loss of rent receivable, and employee liability, including employee wage cover of £10,000. Additionally, the Applicants submitted that the sum insured was greater than the value of the property. It was the Applicants' position that the Respondent should pay a larger percentage of the premium to cover the properties that he was the leasehold owner of.
42. The Respondent submitted that clause 6(e) required a comprehensive insurance policy to be undertaken from a reputable company. Further,

the Respondent submitted that for six flats within a grade II listed building the premiums were reasonable. Further, the policy was not part of a block policy and had been obtained through a broker who had tested the market.

**Tribunal Decision - Building Insurance – Service Charge Years 2021/22, 2022/23 and 2023/24**

43. There was no dispute that the insurance premium was payable under the lease, and further the Tribunal found that the lease did not allow for different flats to pay a different percentage of the premium. The question for the Tribunal was therefore whether the premium was reasonable in amount. The Tribunal was not provided with any alternative quotations and therefore accepted the evidence of the Respondent that the market had been tested and the premium obtained was reasonable. In the absence of any quotations to show that a lower premium should be obtained the Tribunal found the premiums to be reasonable. The amounts for years ending 2022 and 2023 were based on actual amounts; the amount for the year ending 30 July 2024 was reasonable as it was based on the premium for year ending 2023, plus an uplift. The Tribunal therefore found the amounts reasonable.

**Gutter Clearance Invoice 22751 - £150 – Service Charge Year 31 July 2022 to 30 July 2023**

44. The Applicants' evidence was that in October 2022 the gutter at the property was cleaned using an extended Hoover, and the Applicants assumed that this was invoice 23506 for £150 (page 79 of the bundle). However, the Applicants submitted that the job was not done properly, in particular because a ladder was not used to properly clean the gutter and so the gutter had blocked again. A contractor was arranged and in December 2022 the gutter was cleaned again for £264 (invoice 14432).
45. The Respondent stated that the invoices represented the work completed to the gutter and were payable.

**Tribunal Decision Gutter Clearance Invoice 22751 - £150 – Service Charge Year 31 July 2022 to 30 July 2023**

46. The Tribunal considered the service charge accounts for gutter clearance for the service charge year 2022/23 and noted that the amount claimed totalled £564. On the evidence presented to the Tribunal, this amount was made up of invoices for £150, £150 and £264. However, within the bundle there were only two relevant invoices namely invoice 22752 dated 27 July 2022 for £150, and invoice 23506 dated 31 October 2022 for £150. A copy of invoice 22751 was not within the bundle nor was invoice 14432. It was possible that 22751 was actually meant to read 22752 and

was the £150 that the Applicant was asking the Tribunal to disallow, being the July £150 invoice.

47. Despite the invoice numbers not matching, the Tribunal accepted the sequence of events as set out by the Applicants and found that £150 was spent on gutter clearance as shown by invoice 22752 dated 27 July 2022. The gutters were then cleared again as shown by invoice dated 31 October 2022 for £150. Although the invoice was not before the Tribunal, further gutter clearance took place in December 2022 at a cost of £264. These three amounts totalled the amount in the service charge accounts of £564.
48. The Tribunal was therefore satisfied that it was not reasonable for the Applicants to pay the October 2022 invoice given that the work was not effective and had to be repeated in December 2022. The Tribunal therefore disallowed £150 for gutter clearance work.

#### **Gutter Cleaning – £750 - Budget Account 2024/25**

49. The Applicants submitted that the estimated amount for gutter clearance of £750 for 2024/25 was excessive, especially as £1,500 was charged for maintenance and repair in the same budget account.
50. The Respondent stated that the estimate was reasonable, especially given the property included a building and annex.

#### **Tribunal Decision - Gutter Cleaning – £750 - Budget Account 2023/24**

51. There was no dispute that this charge was payable and so the issue for the Tribunal was whether the amount was reasonable. The Tribunal accepted the position of the Applicants and found that £750 was in excess of the amount the Tribunal would expect to see budgeted for gutter cleaning. In reaching this decision the Tribunal took into account that £564 was spent on gutter cleaning for the 2022/23 year, and in addition, £150 was budgeted for UPVC downspouts and hopper heads in the budget for 2023/24. The Tribunal, using its expert knowledge, concluded that a reasonable budgeted amount for gutter clearance would be £300 for the service charge year 2023/24.

#### **Notice of Intention Fees - £210 – Service Charge Year 2022/23**

52. The Applicants submitted that because the Section 20 major works were not taken forward, the notice of intention fee was not payable. The Applicants also contended that the amount was not included within the summary budget and so a deficit had arisen.

53. The Respondent confirmed that the administration process for the Section 20 work had been completed and therefore the fee was payable. It was the Respondent's position that the fact that the process had not been completed did not invalidate the charge. The Respondent referred the Tribunal to page 30(A) within the Applicants' bundle and item 7, where Parkfords Management as managing agents had made an annual declaration that the fee that they had received included £210 for Section 20 fees.

**Tribunal Decision - Notice of Intention Fees - £210 – Service Charge Year 2022/23**

54. The Tribunal accepted the evidence of the Respondent that the work had been completed and therefore the fee was payable. The Tribunal also found that the amount was reasonable given the work that was involved.
55. The Tribunal noted that they would not expect to see this fee charged in full again when the Section 20 work recommenced.

**Surveyor's Fees Invoice - £960 – Service Charge Year 2022/23**

56. The Applicant submitted that the surveyor's fees for planned maintenance was not included in the summary budget for the period 2022/23 and this therefore made the account in deficit. The Applicants further told the Tribunal that this had already been an expensive year given the payment for the fire alarm update (page 129 of the Applicants' bundle).
57. The Respondent told the Tribunal that the survey was required for the Section 20 work. In submissions, the Respondent acknowledged that the Section 20 work had been paused but that the survey would still be relevant to understand the scope of the work.

**Tribunal Decision - Surveyor's Fees Invoice - £960 – Service Charge Year 2022/23**

58. The Tribunal accepted the evidence of the Respondent that the survey was required for the Section 20 work and even though the work had not proceeded at this stage, the survey was still completed and would be used. The Tribunal was not presented with any evidence to suggest that this amount was not reasonable and therefore found this surveyor fee to be payable and reasonable.
59. The Tribunal noted that the Respondent would be able to use the information contained within the survey when the Section 20 works recommenced and therefore would not expect to see a further charge for a surveyor fee in future service charge years. This point was acknowledged by the Respondent at the hearing.

### **Fire Alarm Upgrade - £2,000 – Budget Amount 2023/24**

60. The Applicants submitted that a budget amount of £2,000 for fire alarm upgrade was too high.
61. The Respondent confirmed that this amount had been calculated using the amount from previous year, with an uplift applied. The Respondent further confirmed that this amount formed part of a project for the safety of the property.

### **Tribunal Decision - Fire Alarm Upgrade - £2,000 – Budget Amount 2023/24**

62. The Tribunal considered the budget at page 137 of the Applicants' bundle and noted that three amounts were budgeted that related to the fire alarm, namely fire alarm and emergency light maintenance (£950 - biannual service), fire alarm upgrade (£2,000) and fire door inspection (£375). The Tribunal also noted that £5,700 had been paid in the service charge year ending 2023 for fire alarm upgrade.
63. In the absence of any detail as to what this fire alarm upgrade amount related to the Tribunal was not satisfied that this amount had been budgeted reasonably. The Tribunal was satisfied that sufficient allowance had been made for maintenance of the fire alarm within the biannual service and the fire door inspection and therefore reduced the amount for fire alarm upgrade to £1,000.

### **Asbestos Survey – Budget Amount 2024 - £380**

64. The Applicants' position was that they were not able to understand why this survey was completed. Additionally, the Applicants noted that a service charge of £378 was included within the service charge accounts for year ending 30 July 2022 (page 122 of the Applicants' bundle) and so questioned why a further survey was required.
65. In answer the Respondent submitted that because the Respondent intended to complete major works, including roof repairs, the survey was required. The Respondent also noted that there was no charge for asbestos survey within the service charge accounts for the year ending 30 July 2023 (page 129 of the Applicants' bundle).

### **Tribunal Decision- Asbestos Survey – Budget Amount 2023/24 - £380**

66. The Tribunal accepted that the survey was required given the major works that were to be completed, including to the roof. The Tribunal also found that the amount of £380 for a survey was reasonable.

67. The Tribunal noted that as a matter of good practice it would have been expected that an asbestos survey would be conducted to cover the whole building rather than in a piecemeal way, there being a survey completed in 2022 and then a further survey to a different part of the building in 2024.

### **Out of Hours Emergency Line - £108**

68. The Applicants asserted that this cost was unnecessary. In particular they stated that Parkfords were paid management fees and therefore the cost for out of hours service should be included within this fee.
69. The Respondent confirmed that this emergency line operated out of hours when the Parkfords office was closed.

### **Tribunal Decision - Out of Hours Emergency Line - £108**

70. The Tribunal accepted the evidence of the Respondent that this service was provided as an additional service to enable tenants to have out of hours cover rather than being part of the management fee. Having found this, the Tribunal considered whether the charge was reasonable. The Tribunal was not provided with any evidence to suggest an alternative amount and, using its expert knowledge, concluded that the amount was reasonable. This budget estimate was therefore allowed.

### **Section 20 Building Renovation – first of four demands over next five years work – Budget Amount 2023/24**

71. Within the budget amount for 2023/24 was included the item “section 20 building renovation, first of four demands over the next five years to renovate the building – amount £43,000”. However, in their written evidence to the Tribunal the Applicants pointed out (particularly within the statements of Chitua Uwaoma Aguoru and Bilal Mahmood, pages 30-31 and 32-33 of the Applicants’ bundle) that the leaseholders had not been properly consulted.
72. At the hearing, the Respondent confirmed that a new Section 20 consultation process was required. With that said, there were items that could properly be separated from the schedule of major work and therefore the Respondent confirmed they wished to pursue these items given they were separate, distinct and £250 or less in cost. The Respondent confirmed that they would be recommencing the Section 20 consultation in relation to the roof works and handrail and so these items no longer formed part of matters the Tribunal was being asked to consider. With Counsel’s permission, a spreadsheet which itemised the works to be reconsulted upon and the works that were to be continued was provided and is appended at Appendix 1 to this Decision.

73. The Respondents confirmed that the consultation process would commence shortly so the works that were required, particularly to the roof, could begin promptly.
74. The items that were still before the Tribunal were as follows:
- UPVC downspouts and hopper heads - £150
  - Sub ground systems - £1,200
  - Driveway - £400
  - Bin stores - £1,500
  - Gas metre boxes - £500
  - Electrical Cupboard - £1,000
75. In relation to these items the Applicants commented that the UPVC downspouts and hopper heads should be part of the maintenance budget and not a separate item. In relation to the driveway and bin store the Applicants maintained that these were not a priority and with regard to the gas meter work, this should be a minor repair, and the electrical cupboard was not required to be done.
76. In reply the Respondent confirmed that they were starting with smaller items but that there were likely to be four demands in future which would upgrade the property. All of the work was intended to bring the property to a better standard. In particular, in relation to the UPVC downspouts and hopper heads, the Respondent submitted that the gutters would be upgraded so that they would work more effectively. The work to the driveway would ensure that the surface was levelled and brought up to a reasonable standard. The work to the gas cupboard was to replace two missing doors.

**Tribunal Decision - Section 20 Building Renovation – first of four demands over next five years work – Budget Amount 2023/24**

77. The Tribunal considered the photographs of the property which were provided at pages 83, 84 and 85 of the Respondent's bundle and which showed the current condition of the property and accepted that the work was necessary and fell within clause 6(d) of the lease. The Tribunal did not accept the position of the Applicants that this work could be done as part of the maintenance and repair work of the property, as each item was distinct and required work to be completed over and above maintenance and repair work.
78. The Tribunal noted that the Respondent confirmed that the Section 20 process for the work that the Applicants felt was more of a priority would commence.

79. The Tribunal was not presented with any alternative quotations for the work and, using its expert knowledge, found that the budget amounts were reasonable.

### **Summary of Decision**

80. The Tribunal therefore made the following findings in relation to each of the items brought before it:

#### **Service Charge year 31 July 2021 to 30 July 2022**

<b>Item</b>	<b>Tribunal Determination</b>	<b>Comment</b>
<b>Pest Control</b>	<b>£264</b>	
<b>Dumped Rubbish Removal</b>	<b>£0</b>	<b>Disallowed</b>
<b>Ref E4-7 bill to Greens Property dated 4/5/2022</b>	<b>£120</b>	
<b>Invoice E4-8 bill to Greens Property 22/6/2022</b>	<b>£250</b>	
<b>Invoice E-9 to Greenfield</b>	<b>£1,850</b>	
<b>Building Insurance</b>	<b>£2,597</b>	

#### **Service Charge year 31 July 2022 to 30 July 2023**

<b>Item</b>	<b>Tribunal Determination</b>	<b>Comment</b>
<b>Rubbish Removal</b>	<b>£0</b>	<b>Disallowed</b>
<b>Gutter Clearance invoice 22751 [2] paid to Parkfords</b>	<b>£0</b>	<b>Disallowed</b>
<b>Notice of intention fees</b>	<b>£210</b>	
<b>Surveyor's fees invoice</b>	<b>£960</b>	



<b>Fire Alarm Upgrade</b>	<b>£5,700</b>	<b>Amount reduced by agreement from £6,555</b>
<b>Building Insurance</b>	<b>£2,731</b>	

**Budget Amount - Service Charge year 31 July 2023 to 30 July 2024**

<b>Item</b>	<b>Tribunal Determination</b>	<b>Comment</b>
<b>Building Insurance</b>	<b>£3,000</b>	
<b>Section 20 Building Renovation – first of four demands over next 5 years</b>	<b>£0</b>	<b>Respondent to recommence section 20 process.</b>
<b>UPVC downspouts and hopper heads</b>	<b>£150</b>	
<b>Sub ground systems</b>	<b>£1,200</b>	
<b>Driveway</b>	<b>£400</b>	
<b>Bin Stores</b>	<b>£1,500</b>	
<b>Gas metre boxes</b>	<b>£500</b>	
<b>Electrical cupboard</b>	<b>£1,000</b>	
<b>Gutter clearance-Provision for gutter clearance due to leaf falls</b>	<b>£300</b>	<b>Adjusted from £750</b>
<b>Fire Alarm upgrade</b>	<b>£1,000</b>	<b>Adjusted from £2,000</b>

<b>Asbestos survey</b>	<b>£380</b>	
<b>Out of hour emergency line</b>	<b>£108</b>	

### **Application under s.20C and refund of fees**

81. At the end of the hearing, the Applicants made an application for a refund of the fees that had been paid in respect of the application and hearing. Having heard submissions from the parties and taking into account the determinations above, the Tribunal ordered that the Respondent refund any fees paid by the Applicants within 28 days of the date of this Decision. The Tribunal made this determination based on the findings made above and in particular the position of the Applicants that they would not have needed to come to the Tribunal had the process for the Section 20 consultation progressed properly.
82. In the application form the Applicants had applied for an order under Section 20C of the 1985 Act and also under Schedule 11 of paragraph 5A Commonhold and Leasehold Reform Act 2002. Having heard the submissions from the parties, and although the landlord indicated that no costs would be passed through the service charge, for the avoidance of doubt, the Tribunal nonetheless determined that it was just and equitable in the circumstances for an order to be made under Section 20C of the 1985 Act, so that the Respondent may not pass any of its costs incurred in connection with the proceedings before the Tribunal through the service charge. For the same reasons the Tribunal also made an order under paragraph 5A of Schedule 11 to the Commonhold and Leasehold Reform Act 2002 to reduce or extinguish the tenants' liability to pay an administration charge in respect of litigation costs

**Name:** Judge Bernadette MacQueen    **Date:** 14 October 2024

### **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).

## Appendix One

No	Item of proposed works (budgeted) under maintenance proposal	PPI	PP	PPLH		
1	Main rear pitched roof plus dormers (roof 2 on photo 1)	£ 775.00	£ 19,175.00	£ 3,195.83	Section 20	Project 1: Roof Works
2	Lower rear pitched roof 1 abuts main building (roof 3 on photo 1)	£ 6,650.00			Section 20	Project 1: Roof Works
3	Lower rear pitched roof 2 (roof 4 on photo 1)	£ 8,400.00			Section 20	Project 1: Roof Works
4	Rear flat roof (roof 5 on photo 1)	£ 3,350.00			Section 20	Project 1: Roof Works
5	UPVC downspouts and hopper heads	£ 150.00		£ 25.00	-	Minor works
6	Sub ground systems	£ 1,200.00		£ 200.00	-	Minor works
7	Driveway	£ 400.00		£ 66.67	-	Minor works
8	Bin stores	£ 1,500.00		£ 250.00	-	Minor works
9	Gas meter boxes	£ 500.00		£ 83.33	-	Minor works
10	Electrical cupboard	£ 1,000.00		£ 166.67	-	Minor works
11	Handrail to front	£ 1,750.00	£ 2,750.00	£ 291.67	Section 20	Project 2: Handrail Replacement
12	Handrail to side steps	£ 1,000.00			Section 20	Project 2: Handrail Replacement

Project Price (PP)	£ 26,675.00
Price Per Item (PPI)	
Price Per Leaseholder (PPLH)	

<u>Total price of proposed works</u>	£ 26,675.00
OHP (15%)	£ 4,001.25
Fees (15%)	£ 4,601.44
VAT (20%)	£ 7,055.54
Grand total	£ 42,333.23

	TC	CPLH	
Amount to be credited to the accounts (to restart the section 20 process afresh)	£ 21,925.00	£ 3,654.17	A
Together with OHP and Fees and VAT associated with total price of proposed works	£ 15,658.23	£ 2,609.70	B
Outstanding value for minor works	£ 4,750.00	£ 791.67	C
Plus VAT	£ 5,700.00	£ 950.00	D

Total Credit (TC) Per Leaseholder (CPLH)
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