FIRST-TIER TRIBUNAL
PROPERTY CHAMBER
(RESIDENTIAL PROPERTY)

Case reference	**:**	**LON/00AP/LSC/2023/0477**
Property	**:**	**629A Green Lanes, London, N8 0RE**
Applicant	**:**	**Olanrewaju Ashagbe**
Representative	**:**	**In person**
Respondent	**:**	**629 Green Lanes (Freehold) Ltd**
Representative	**:**	**Mr. Steinhaus**
Type of application	**:**	**An application under sections 27A Landlord and Tenant Act 1985**
Tribunal member(s)	**:**	**Judge Sarah McKeown** **Mr. J. A. Naylor FRCIS FIRPM**
Date and Venue	**:**	**21 November 2024 at 10 Alfred Place, London WC1E 7LR**
Date of decision	**:**	**25 November 2024**

DECISION

Decisions of the tribunal

(1) The Tribunal finds that the following service charges are payable and reasonable:

(a) 2020:

(i) Insurance - the Applicant's share is £222.22 with credit to be given for the sum of £24.35 for insurance charged 07/04/20-18/05/20 (p.30);

(i) Insurance – the Applicant's share is £90.

(b) 2021:

(i) Insurance – the Applicant's share is £236.12;

(ii) Management fee – the Applicant's share is £120.

(c)2022:

(ii) Insurance – the Applicant's share is £252.21;

(iii) Management fee – the Applicant's share is £120;

(d) 2023:

(i) Insurance – the Applicant's share is £304.85;

(ii) Management fee – the Applicant's share is £120.

Total: £1,441.05 (credit to be given for payments on account made). The Tribunal makes clear that it has not considered (and has no jurisdiction to consider) the Ground Rent due under the terms of the Lease and those charges are not covered by this decision.

(2) The Tribunal makes an order under section 20C of the Landlord and Tenant Act 1985, but limits the order to 50% of the costs incurred by the Applicant in connection with this application.

(3) The Tribunal makes an order in respect of the Applicant for a refund of the tribunal fees in the sum of £100 to paid by the Applicant on or before 20 December 2024.

References are to page numbers in the bundle provided for the hearing.

The Application – p.9

1. The Applicant tenant seeks a determination pursuant to s.27A of the Landlord and Tenant Act 1985 ("the 1985 Act") as to whether service charges are reasonable. The Applicant also seeks an order for the limitation of the landlord's costs in the proceedings under section 20C of the Landlord and Tenant Act 1985 and/or paragraph 5A of Schedule 11 to the Commonhold and Leasehold Reform 2002 Act, as well as refund of the Tribunal fees paid.

2. 629A Green Lanes, London, N8 0RE ("the Property") is a flat situated in a converted house, which contains four flats. The Respondent is the freeholder (of which, Mr. Steinhaus is the director).

3. The application states that the years in dispute were 2020/2021; 2021/2022; 2022/2023; 2023/2024. The total value of the dispute is said to have been £2,400.

4. On 12 June 2024 the Tribunal gave directions. It was noted that the issues to be determined were:

(i) for the service charge years 2020/21, 2021/22, 2022/23, and 2023/24. The amount totalling £2,400.00;
(ii) whether the landlord has complied with the consultation requirement under section 20 of the 1985 Act if appropriate;
(iii) whether the works are within the landlord's obligations under the lease/ whether the cost of works are payable by the leaseholder under the lease;
(iv) whether the costs are payable by reason of section 20B of the 1985 Act;
(v) whether the costs of the works are reasonable, in particular in relation to the nature of the works, the contract price and the supervision and management fee;
(vi) whether an order under section 20C of the 1985 Act and/or paragraph 5A of Schedule 11 to the 2002 Act should be made;
(vii) whether an order for reimbursement of application/ hearing fees should be made.

5. Directions were then given for the progression of the case.

Documentation

6. The Tribunal has been provided with two bundles of documents, comprising a total of 412 pages. This includes a Statement of Case (p.5) and complete schedules for the years in dispute (p.285-313). The Applicant has also provided a number of videos and an email from Mr. Iland dated 7 May 2024

The Hearing

7. The hearing started late as the Applicant said that he was unaware of the hearing, but after contact from the Tribunal he managed to get to the Tribunal for approximately 12pm. He represented himself.

8. Mr. Steinhaus, representing the Respondent, attended the hearing with some further documents, one of which he said was a Skeleton Argument.

The other, he stated, contained comments on the Applicant's case. As they had not been provided to the Applicant, the Tribunal said that it would not have regard to them, but told Mr. Steinhaus that he would have an opportunity to give evidence and make submissions orally during the hearing.

9. The Tribunal then started by confirming the issues in dispute, which were: the £600 "payment on account", insurance, repairs and management fee. The Tribunal noted the reference to s.20 Landlord and Tenant Act 1985, but said that its preliminary position (not having heard from the parties) was that it did not appear to apply as the individual charges for works were all under £250 and there were not qualifying long-term works or agreements (the insurance policies being renewed every year). It informed the Applicant that it had no jurisdiction to make the Respondent pay the Applicant for the works or repair he said he had carried out (but that it could have regard to this issue when considering the reasonableness of the management charges).

10. The Tribunal informed the Applicant that it had not looked at all the videos that he had sent, but that if there were a few that he particularly wanted us to look at, he could play them during the hearing.

11. The Applicant then addressed the Tribunal. He said that the Respondent as freeholder did not care. He said, that no matter what email he sent, he got no response. The only time the Respondent started communicating was when the Applicant brought this application, prior to that, the Respondent ignored everything. Before the Respondent took over the freehold – in 2005 – he approached the Applicant, who gave him money to jointly repair the roof. The Applicant said that when it suited the Respondent, he collected money. The Respondent had not included the Respondent in the purchase of the freehold. If the Respondent wanted anything done, he called the Applicant. The Respondent neglects the house. The Applicant said that he had asked to inspect documents, but they had not been provided and the Respondent had not given access to them.

12. The Tribunal drew some of the documents in the bundle to the attention of the Applicant, which were responses from the Applicant. He said that the Respondent only sent documents when he brought the application. The Applicant wanted to look at the documents.

13. Mr. Steinhaus then asked the Applicant questions as follows:

14. He asked the Applicant if he had received the email at p.23. He said that he did, but that it did not address the questions he had asked.

15. He asked who had done the laminate in the hallway on the ground floor. The Applicant said that the Respondent did.

16. He asked who had done the tiling in the front drive. The Applicant said that the Respondent had, but it had been done for its own benefit, as he had installed security posts so the Applicant could not use it for parking.

17. He asked who had done the fire alarm. The Applicant said that the Respondent had but that it did not work. He said that he had pictures of cables dangling out (p.407-9 taken on 15 November 2024). The Applicant asked if the Respondent had a certificate – the Respondent produced a certificate, valid from 7 February 2024.

18. The Applicant repeated that the fire alarm was not working. When asked if and when he had told the Respondent, he said that it was mentioned in the bundle, and he confirmed that the Respondent had therefore only been told in the last few days.

19. The Tribunal then asked how the Applicant knew it was not working and the Applicant said that there were cables dangling down. The Tribunal said that this did not necessarily mean it was not working and asked if the Applicant knew that it was not working. He said that he assumed it did not work.

20. The Applicant was asked how often he went to the Property. He said that he was there once every week or every two weeks. Every time he saw a problem with the Respondent's tenants: they abandoned stuff in the hallway, and on each occasion, he would send an email. He had emailed on at least 8 occasions. The Applicant said that he was the one cleaning the place. Mr. Steinhaus did not come to house, he only came when the Applicant brought this application.

21. Mr. Steinhaus said that his builder (who lived in the upstairs flat) confirmed that he had done work to the Property and cleaned the Property. The Applicant denied that the cleaning was done. Mr. Steinhaus said that his builder cleaned the rubbish to the front, he did roof repairs. The Applicant said that his evidence showed that it was not done. He said that the cleaning was not done, there was rubbish in front of the house and Mr. Steinhaus had only been the night before to dispose of it.

22. Mr. Steinhaus asked the Applicant if cleared the rubbish and he said that he did it every month or every two weeks. He referred to the videos. He played two – one from 23 March 2023 and one from 24 March 2023.

23. The Applicant was asked if he had invoices for the cleaners he had paid. He said that he paid in cash, and he sent them to be able to rent his flat out.

24. The Tribunal asked the Applicant why there was debris outside the house. He said that the Respondent's tenants stood outside the house and threw cigarettes there.

25. Mr. Steinhaus was asked by the Tribunal if work was being done on the building. He said that there was a problem with items/debris in the front of the building. He said it was open, and people throw things. He said that someone left a sink and a basin in box. No one in house claims it was theirs. When issues were brought to his attention, it was cleaned, as he had yesterday. Work was being done at the moment, but it will be cleared up in 2-3 days.

26. Mr. Steinhaus said that the cigarettes were an issue caused by the flats next door. The Applicant denied this and said that he had seen the tenants standing outside the house.

27. The Applicant confirmed that he did not have any alternative insurance quotations.

28. The Tribunal asked the Applicant if he accepted liability for the repairs. He said that the Respondent had not provided any documents, but he accepted that if the Tribunal found that repairs had been done, he was liable for 20%.

29. The Applicant was asked why he disputed the management fee. He said that the communal areas were not cleaned, repairs were not done, his emails were not answered and the invoices were not clear. He confirmed that there were no repairs outstanding at the moment, but when the Respondent took over as freeholder, there were mushrooms in the corridor. The Applicant said that he organised the roof repairs. The roof issued was shown in the video dated 16 December 2020 and the works were done about 2-3 weeks later. He employed contractors to repair the roof.

30. Mr. Steinhaus said that he did not recall being told about the roof issue. He said that he did some roof works (for which the Applicant contributed £1,500) before he bought the freehold. The Applicant said that he told the Respondent about the roof leak (p.36 – 18 December 2020). The Tribunal asked if this was the same leak as the roof leak. The Applicant confirmed that there were two leaks – one from the tenanted property upstairs and one from the back roof. In respect of the leak from the upstairs property, the Applicant said that the Respondent did attempt to repair it, on a number of occasions, but every time, there were further leaks. The Tribunal then asked if there was an email notifying the Respondent about the roof leak and he referred to p.104. The Applicant could not say if the two leaks were at about the same time.

31. The Tribunal then asked Mr. Steinhaus to go through the insurance documents, which he did, confirming the invoices and certificates for each year. He confirmed there were no invoices for the repairs.

32. The Tribunal asked Mr. Steinhaus about the management fee. He said that he paid his builder, but no charge was passed on for that. He said the management fee was for arranging the cleaner. He said that he told his builder to clean, and he checked that it was done.

33. Mr. Steinhaus was asked what he did when he received complaint. He said that he took it up with the cleaner, who told Mr. Steinhaus that he had done it. He said that some of his tenants were long-term tenants and looked after the building, but the Applicant's tenants brought dogs etc and the cleaning could not be done every day. It is done once or twice a week, definitely once a week. It was done by the tenant of the top floor and his wife.

34. The Tribunal pointed out to Mr. Steinhaus that part of the management fee was for checking on the cleaning, and he was asked how often he did this. He said once every two weeks, that he did it regularly, normally more. He said he charged the Applicant £160 (i.e. 20% of £800) and Driver and Norris charged him more for managing other properties. He said that the charge to the Applicant was a minimal charge, and he usually made no charge for repairs, that the Applicant did a few repairs himself. He said that he charged for some items which were clear, like the locks and the fire alarm.

35. The Tribunal asked Mr. Steinhaus if he had seen the mushrooms shown on the photograph at p.68. He said that he would have done. He said that he did not recall how bad it was, it was just after he had taken over the freehold. He said it was behind a door. He said he would never have left such a thing and said that he had just spent money on knotweed in the garden.

36. He was referred to the photographs at p.225-6. He said that when the issue of the "sharps boxes" were brought to his attention, he wrote to the tenant on first floor, (who takes medication) who cannot dispose of syringes in the normal way, she had them collected. He said that they were sometime left. He said that he had asked her more than once and had written to the Applicant about it. He said that he could not harass the tenant. He said that the neighbour next door put their dustbins on the building's land, and this created more rubbish. He said that he wanted the neighbours to build a wall.

37. When asked about the cleaning, he said that there may be one or two items, but they were never in the way. Even when the tenant left the syringes, she left them in the corner and they did not disturb anyone. He said that he had seen that the communal areas were reasonably clear, but

admitted some issues did happen, and he did not have someone on site every day.

38. The Tribunal asked Mr. Steinhaus about the contractor. He said that the man was generally in his employment, but he paid him for individual jobs, by the day.

39. He was then asked about the cleaning specifications and what the cleaner was expected to do. He said, sweeping, wiping the walls if necessary and removal of any rubbish which was in the way.

40. The Tribunal asked if the contractor reported to Mr. Steinhaus, and he said that he did. He confirmed that the contractor passed the common parts every day. He confirmed that he would report to Mr. Steinhaus and that he would also clean it.

41. The Tribunal referred to the photographs and videos and asked Mr. Steinhaus if he wanted to comment. He said that he would have to check when they were taken.

42. Mr. Steinhaus said that he disagreed that he did not respond, and he referred to p.23-24, p.236, p.241, p.246, p.250. He said that he did respond, not to every email as he had no time. He met fire alarm engineers, electricians etc. He said that he took things seriously. He said that a lot of the Applicant's grievances were about the lease extension and the freehold. He said that, as he knew the Applicant, he kept the service charge limited. He said that they were just insurance and management.

43. The Applicant then asked Mr. Steinhaus questions as follows:

44. He asked how the cleaner could be doing this when things were constantly in the corridor. Mr. Steinhaus said that they were not. He said that just because someone left a few boxes in the corridor did not mean that it could not be cleaned. He said that generally it was clean. He said that there was a brush in the corner, but someone walked off with it. The communal parts were generally pretty clean, that he did not have CCTV there, but 90% of the time it was clean.

45. The Applicant referred to p.283 and said that in this email he told Mr. Steinhaus about items in the corridor. Mr. Steinhaus said that he had replied, and that any items not blocking access were not the Applicant's concern. He said that one tenant had a medical condition and sometimes could not go out, and she left the "sharps" in a corner, behind the bannisters. He had told her she had to keep them in her room where possible, and her mother had a key to come and collect them. He said that they were not in anyone's way.

46. The Applicant said that the mushrooms seen in the photograph was not behind a door, but on the top floor landing. Mr. Steinhaus said that he recalled it was downstairs behind a door, and it was not mushrooms, it was damp. He said it was in 2020.

47. Mr. Steinhaus was referred to p.283 and he said that the tenant's mother was coming to collect the boxes and that he had sent her a letter.

48. The Applicant asked Mr. Steinhaus why he had said he would call the police if the Applicant cleared stuff. Mr. Steinhaus said that any time a builder left items in the hallway, the Applicant would walk off with it.

49. The Tribunal asked Mr. Steinhaus if he had fire risk assessment done. He said that he did. He was asked what they said and if they said that items must not be kept in the common parts. Mr. Steinhaus said that items were there for 2m or half an hour and that he had raised the issue with the tenants.

50. The Tribunal pointed out that Mr. Steinhaus must comply with the fire risk assessment. He said he had sent a letter in Augus 2024 telling the tenants not to keep things in the common parts. The Tribunal asked he if had taken any further action (service of notices, legal action, eviction). He said that he had not gone as far as that, he did not believe in harassing the tenants, they were responsible people. He said that the tenant could sometime not get out of bed and she would leave the boxed outside for her mother to collect. Mr. Steinhaus said he had sent a note giving the tenants two weeks to clear any items and if it was not done, he would go and clear it. The Applicant disagreed with this.

51. As to apportionment, it was agreed that the Applicant's share was 20% and had been charged as such.

52. Mr. Steinhaus then made submission and said: he did visit the building and he felt he had been fair. He said that he was not charging for a lot of repairs he did, the property gone up in standard because of what he had done, he had kept the management charges to a minimum and the market rate should be £500-£600. He only asked for insurance and every time he had sent the required summary and notice. He had kept within the legal framework. The Applicant had never asked to see the invoices. Mr. Steinhaus said he had responded (e.g. p.23, p.71) and if the Applicant had wanted the invoices, he would have sent them. The Applicant's share was about £60-£70. Mr. Steinhaus said that he not replied to the Applicant on a daily basis, but he did whenever a matter was serious or a cause for concern. Ie said that he told the builder to keep the place clean and do what works were necessary.

53. The Applicant then made submissions as follows: the Respondent did not come every 2 weeks. He said that he was there all the time – the last

time the Respondent had been there before yesterday was April 2021. He was asked if Mr. Steinhaus could have been there without the Applicant seeing him. The Applicant said that as people were leaving things in corridors etc, there was no way Mr. Steinhaus was coming every 2 weeks and not noticing it. The Applicant said that he had offered an olive branch, but Mr. Steinhaus dismissed it. Coming to the Tribunal involved time and effort. When he sent emails, he asked him to respond. If Mr. Steinhaus was not going to respond, he should not be the freeholder. The Applicant said that he was not being unreasonable.

The Lease – p.375

54. The Lease is dated 6 September 1985 between Joseph Hutchison and Patrick Desmond Quinn (as Lessors) and John MacDonald Buchanan (Lessor). There is no dispute that the Applicant obtain the leasehold interest in or about 2003 and the Respondent obtained the freehold interest in May 2020.

55. The "Building" is said to form part of the Property (defined in the Lease as 629 Green Lanes).

56. By Clause 1, the Property (as defined in this decision, i.e. 629A Green Lanes) was let.

57. By Clause 2, the Lessee covenanted with the Lessor to, among other things:

(a) to pay all the rents at the time and in the manner aforesaid without any deduction (save as provided for in the Lease);

(b) to pay all rates, taxes, assessments, charges impositions and outgoings which may at any time during the said term be assessed, charged or imposed upon the demised premises or upon the owner or occupier in respect thereof and in the event of any rates, taxes, assessments, charges, imposition and outgoings being assessed, charged or imposed in respect of premises of which the demised premises form part to pay the proper proportion (to be decided at the absolute discretion of the Lessors Surveyor) of such rates, taxes, assessments, charges, impositions and outgoings attributable to the demised premises;

(c) to pay and contribute to the Lessor the sum or sums of money (called the "maintenance contributions") equal to 20% of the costs, expenses, outgoings and matters mentioned in the Third Schedule. The amount of such maintenance contributions are to be ascertained and certified by

the Lessor or its managing agents or accounts, on a yearly basis on 25 December in each year or as soon as possible after that date;

(d) On 25 June in every year, the Lessee was to pay £100 (or such other reasonable sum as the Lessor or its managing agents shall certify) on account of the maintenance contribution for the year current at the date of the payment, the balance of the maintenance due from the Lessee shall be ascertained when the maintenance accounts are published on 25 December or as soon as possible thereafter;

(e) The Lessor was to pay the balance of the maintenance contribution due from him within 21 days of the publication of the maintenance accounts in respect of the year covered by such accounts save that it after the maintenance accounts were published, it was found that the amount paid on account exceeded the amount actually spend, the excess was to be credited to the Lessee.

58. It is provided that the Lessee is entitled, at his own expenses and at any time within the 21 days referred to above to inspect the receipts and vouchers relating to the costs, expenses, outgoings and matters.

59. By Clause 3, the Lessee covenants to, among other things:

(a) To keep the demised premises and all walls, party walls, sewers, drains, pipes, cables, wires and appurtenances in good and tenantable repair and condition;
(b) To paint twice over with good quality paint and varnish white or colour all inside wood work and ironwork of the demised premises every fifth year and the last year of the same term in a good and workmanlike manner;
(c) To keep in a neat and tidy condition the garden area included within the demised.

60. By Clause 5 the Lessor covenant, among other things (and in summary) to insure and keep insured the Building against loss or damage by fire and such other risks (if any) as the Lessors think fit in a fully comprehensive policy in some insurance officer or repute or such other sum as shall from time to time represent the full reinstatement value of the Building.

61. The Third Schedule specifies, among other things:

1. The expense of maintaining, repairing, redecorating and renewing:

(a) the main-structure and in particular the roof, foundations, main walls, chimney stacks, gutters and rain water pipes to the Building;

(b) the gas and water pipes, drains, electric cables and wires in under or upon the Property enjoyed or used by the Lessee in common with the owner and lessees of the other flats in the Building.

2. The cost of:

(a) …

(b) insurance against third party risks in respect of the Building;

(c) insuring the Property in accordance with cl. 5(B);

(d) general expenses properly payable or incurred in the good management of the Building (including agents charges, commissions and all rates, taxes and outgoings not payable by the Lessee or any part thereof);

(e) the reasonable fees of the Lessor's managing agents and accountants and other expenses incurred by the Lessor in connection with the assessment of the appropriate maintenance contribution payable in respect of all the flats in the said Building;

(f) such reasonable sum as the Lessor or its managing agents shall deem a proper reserve to meet the appropriate part of the estimated future obligations and liabilities in respect of any of the matters referred to in this Schedule;

(h) …

(i) the cost of keeping clean and reasonably lighted the passages, landings, staircases and other parts of the Building enjoyed or used by the Lessee in common with the owners or occupiers of the other flats in the Building.

The Law

62. Section 18 of the Landlord and Tenant Act 1985 provides:

> "(1) In the following provisions of this Act 'service charge' means an amount payable by a tenant of a dwelling as part of, or in addition to the rent –
>
> (i) Which is payable, directly or indirectly, for service, repairs, maintenance, improvements

or insurance or the landlord's costs of management, and

(ii) The whole or part of which varies or may vary according to the relevant costs.

(2) The relevant costs are the costs or estimate costs incurred or to be incurred by or on behalf of the landlord, or a superior landlord, in connection with the matters for which the service charge is payable.

(3) For this purpose –

(a) 'costs' includes overheads, and

(b) costs are relevant costs in relation to a service charge whether they are incurred, or to be incurred, in the period for which the service charge is payable or in an earlier or later period.

63. Section 19 of the 1985 Act provides:

"(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"

64. Section 27A provides:

"(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

65. In *Waaler v Hounslow LBC* [2017] EWCA Civ 45 the Court of Appeal said that "reasonableness" has to be determined by reference to an objective standard, not the lower standard of rationality.

66. In *OM Property Management Ltd v Burr* [2013] EWCA Civ 479, the Master of the Rolls said:

"On the other hand, as section 19(2) makes clear, there is a different regime in relation to estimated costs before they are incurred. The landlord or management company is entitled to reflect reasonable estimated costs in the service charge and the status makes no provision for adjustment of estimated costs".

67. In *Carey Morgan v De Walden* [2013] UKUT 134 (LC) the Upper Tribunal set out a two-stage approach to determining an application challenging the reasonableness of interim service charges:

- The contractual entitlement must be established; and
- The Tribunal must consider whether the s.19(2) filter prevents the landlord from including any part of the amount demanded on the basis that it is greater than reasonable.

68. "Service Charges and Management" (5th ed.) states at 12-29 that the "amount must be objectively reasonable, and the onus is on the landlord to satisfy the relevant tribunal that that is so. In *Avon Ground Rents v Cowley* [2018] UKUT 92 (LC) it was said that whether an amount is reasonable as a payment in advance is not generally to be determined by the application of rigid rules but must be assessed in the light of the specific facts of the particular case".

Service Charges

£600

69. The Applicant challenged the £600 which had been charged each year (p.340 for 2020, p.314 for 2021, p.319 for 2022, p.324 for 2023 and p.329 for 2024). He said that there was no explanation as to what the money was spent on and the invoices are not clear. The Applicant says that the Service Charges have never been recalculated and no refund given.

70. The Respondent states that there would be no recalculation for 2020 as that was the initial year, but in each subsequent year, a credit has been applied. The Respondent states that the charge is in anticipation of future expenses. It is said that no works were charged during this period,

save the insurance premium and the management fee, so there were no invoices save for the insurance, and that was sent to the Applicant. The excess was refunded to the Applicant. A further £600 was charged to carry over to the next year.

71. As set out above, under the terms of the Lease, the Applicant is to pay £100 (or other such reasonable sum as the Respondent or its managing agent certifies – in this case, £600) on 25 June each year. This is an "interim" payment or a "payment on account". In view of the actual charges later invoiced, his is a reasonable amount.

72. These charges are therefore valid under the terms of the Lease, and credit has been given for the payments on account in all of the service charge demands (p.314, p.319, p.324, p.329). The Respondent has then provided details of the actual service charges and given credit for any excess – those demands are referred to herein.

2020 – p.316

73. The demand at p.314 refers to £1,350 – these are arrears from the 2020 demand (p.340).

74. In terms of the actual charges for 2020, these are set out at p.316.

75. *Insurance* - £1,111.10, of which the Applicant's share is £222.22.

76. The Applicant states that he found a cheaper premium. The Respondent states that he uses a reputable broker. It is said that "Terrorist Insurance" is not necessary. It is said that terrorism insurance is standard cover advised and the Respondent relies upon cl. 5 of the Lease.

77. The Applicant has not produced any comparable. The invoice is at p.353, the insurance certificate is at p.354 and the Terrorism Certificate of Insurance is at p.363.

78. Under the terms of the Lease, the Respondent is obliged to insure the Property and the charge is valid and reasonable. Terrorism insurance is an industry standard and it was reasonable to have such cover.

79. The Applicant says that a credit of £24.35 was not applied – credit is given at p.30. Credit is to be given for the sum of £24.35 for insurance charged 07/04/20-18/05/20.

80. The insurance policy is for one year and so no issue under s.20 Landlord and Tenant Act 1985 arises.

81. *Management* - £600, of which the Applicant's share is £120.

82. The Applicant's issues are, in summary, that the communal areas are not cleaned (or not cleaned properly), repairs are not done and his emails are not responded to.

83. The Tribunal notes that the management fee is at the lower end, but also that there have been failings in terms of the management of the Property. From the issues raised, the evidence heard and having regard to the photographs/videos of the Applicant, it is clear that the outside of the Property and the common parts are not inspected (or properly inspected) at regular intervals. Further, that not all necessary repairs have been dealt with promptly. The Respondent has not always been on hand to deal with day to day matters as they occured and has not dealt with any nuisance affecting the building. There have been items left in the communal areas, which create a fire hazard (p.56-7, p.159-60, p.225-8, p.231, p.238-40, p.266). Boxed of syringes have been left in the communal areas, creating safety issues in terms of their contents and as it constitutes an obstruction. The Respondent's attitude (that if there is no "blockage" there is no issue) is not sufficient in terms of safety, including fire safety. At times, the condition of the communal areas has fallen below an acceptable standard (p.39, p.44, p.68, p.70, p.98-103, p.109-111, p.409-12).

84. There has been some management carried out, however. The Property has been insured and the Respondent has ensured that the fire alarm system is in good working order. The Respondent has arranged a cleaner to clean the common parts, but this is not being done adequately. The Respondent has checked the lighting of the common parts and see to all matters thereof and has maintained the accounts of the management of the property. The Respondent has responded to queries when possible (p.21, p.148, p.250-1, p.278, p.280, p.282) and has issued demands for administration charges and provide the required summary of rights.

85. The Tribunal takes all these matters into account, and finds that a reasonable management fee is £90 (i.e. a reduction of 25%).

2021 – p.321

86. In terms of the actual charges for 2020, these are set out at p.321.

87. *Insurance* - £1,181.56, of which the Applicant's share is £236.12.

88. The invoice is at p.348 , the certificate of insurance is at p.355 and the Terrorism Certificate of Insurance is at p.364 . For the reasons set out in relation to 2020, the Tribunal finds this charge valid and reasonable.

89. *Repairs* - £70, of which the Applicant's share is £14.

90. The Applicant says there is no explanation for this charge. The Respondent states that it was for a repair to the front door lock.

91. Whilst this is something which would fall under the provisions of the Lease, as there is no invoice in relation to this, the Tribunal finds that this is not a reasonable charge.

92. *Management* - £800, of which the Applicant's share is £160.

93. For the reasons set out in relation to 2020, the Tribunal finds that it is reasonable to reduce the charge by 25% - the reasonable charge is therefore £120.

2022 – p.326

94. In terms of the actual charges for 2020, these are set out at p.326.

95. *Insurance* - £1,524.25, of which the Applicant's share is £304.85.

96. The invoice is at p.349, the certificate of insurance is at p.356 and the Terrorism Certificate of Insurance is at p.365. The invoice is for £1,261.06, not for £1,524.25. For the reasons set out in relation to 2020, the Tribunal finds this charge valid but in terms of reasonableness, the Tribunal finds that the figure on the invoice is reasonable, i.e. £1,261.06, of which the Applicant's share is £252.21.

97. *Repairs* - £95, of which the Applicant's share is £19.

98. The Applicant says there is no explanation for this charge. The Respondent states that it was an emergency call out for when the front door lock was broken.

99. Whilst this is something which would fall under the provisions of the Lease, as there is no invoice in relation to this, the Tribunal finds that this is not a reasonable charge.

100. *Management* - £800, of which the Applicant's share is £160.

101. For the reasons set out in relation to 2020, the Tribunal finds that it is reasonable to reduce the charge by 25% - the reasonable charge is therefore £120.

2023 – p.331

102. In terms of the actual charges for 2020, these are set out at p.331.

103. *Insurance* - £1,524.25.56, of which the Applicant's share is £304.85.

104. The invoice is at p.350, the certificate of insurance is at p.357 and the Terrorism Certificate of Insurance is at p.366. For the reasons set out in relation to 2020, the Tribunal finds this charge valid and reasonable.

105. *Repairs* - £135, of which the Applicant's share is £27.

106. The Applicant says there is no explanation for this charge. The Respondent states that it was for an emergency call out to attend the fire alarm.

107. Whilst this is something which would fall under the provisions of the Lease, as there is no invoice in relation to this, the Tribunal finds that this is not a reasonable charge.

108. *Management* - £800, of which the Applicant's share is £160.

109. For the reasons set out in relation to 2020, the Tribunal finds that it is reasonable to reduce the charge by 25% - the reasonable charge is therefore £120.

Costs

110. The Applicant made an application pursuant to s..20C and for a refund of Tribunal fees paid. He said that if the Respondent had responded, he would not have had to come to the Tribunal and incur costs. The Respondent said that the application should never have been brought, he had been reasonable and done his best and he only charged accordingly.

111. Section 20C of the Landlord and Tenant Act 1985 provides as follows:

"(1) A tenant may make an application for an order that all or any of the costs incurred, or to be incurred, by the landlord in connection with proceedings before.... the First-tier Tribunal... are not to be regarded as relevant costs to be taken into account in determining the amount of any

service charge payable by the tenant or any other person or persons specified in the application".

112. When faced with such an application, the Tribunal may make such order as it considers just and equitable in the circumstances.

113. The Tribunal has regard to the matters set out herein and has had regard to the limited success of the application: *Cannon v 38 Lambs Conduit LLP* [2016] UKUT 371 (LC). Taking everything into account, it is just and equitable to make the order sought by the Applicant, but to limit it to 50% of the costs incurred by the Respondent in connection with this application.

114. The Tribunal makes a determination that there should be a partial refund of Tribunal fees, in the sum of £100.

Judge Sarah McKeown
25 November 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)