

FIRST-TIER TRIBUNAL PROPERTY CHAMBER (RESIDENTIAL PROPERTY)

Case reference : LON/00AN/LSC/2024/0210

Property : Flat 1 190-192 Uxbridge Road Shepherds

Bush London W12 9BW

Applicant : Acre House Properties Ltd

Representative : Universal Property Management Ltd,

Mr Sean O'Connor, director and Mr Ali

Respondent : Mrs Nasreen Afroze Mian

Representative : Mr Umer Iqbal

For the determination of the liability to

Type of application : pay service charges under section 27A of

the Landlord and Tenant Act 1985

Mr Charles Norman FRICS Valuer

Tribunal members : Chairman

Mrs Alison Flynn MRICS

Venue : 10 Alfred Place, London WC1E 7LR

Date of hearing : 6 January 2025

Date of decision : 22 April 2025

DECISION

Decisions of the Tribunal

- (1) The Tribunal determines that the sum of £1,530.16 is payable by the Respondent in respect of the service charges for the year 2022/2023 being 20% of £7,650.79.
- (2) The Tribunal determines that the sum of £1,574.30 is payable by the Respondent in respect of the service charges for the year 2023/2024 being 20% of £7,871.48.

The application

1. The Applicant seeks 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 the Respondent in respect of the service charge years 2022/23 and 2023/24.

The hearing

- 2. The Applicant was represented at the hearing by Mr Sean O'Connor, director, Universal Property Management Ltd, accompanied by his colleague Mr Ali. The respondent was represented by Mr Umer Iqbal.
- 3. Subsequent to the hearing the Tribunal members received a written skeleton argument prepared by Mr Iqbal. This had been sent to the Tribunal on 2 January 2025 but not provided to the members prior to the hearing. Mr Iqbal did not refer to it during the hearing, so the members were unaware of it. However, the Tribunal has considered it when reaching its determination.

The background

- 4. The property which is the subject of this application is a Victorian terraced building comprising a large shop on the ground floor (Creams Café) which extends to the rear of the building line, with three flats above. The subject flat is on the first floor. The property is situated in Shepherd's Bush. Uxbridge Rd, W12 (A4020). This is a busy inner London commercial Road with heavy traffic flow.
- 5. Photographs of the building were provided in the hearing bundle. Neither party requested an inspection, and the Tribunal did not consider that one was necessary, nor would it have been proportionate to the issues in dispute.
- 6. The Respondent holds a long lease of the property dated 1 June 2009 for 125 years from 1 February 2009. This requires the landlord to

provide services and the tenant to contribute towards their costs by way of a variable service charge. The specific provisions of the lease and will be referred to below, where appropriate.

The issues

- 7. This application follows previous court proceedings in 2022, following which the lessee was ordered to pay damages for service charge arrears. The subject flat is let as an investment property.
- 8. The present application to the Tribunal seeks determinations in respect of the service charge years 2022 to 2023 and 2023 to 2024. The application referred to budgets for those years but by the date of the hearing accounts for the years in question were available. The accounts are prepared to the year ending 11 May each year. Standard directions were issued in June 2024 directing preparation of a Scott Schedule. Both parties at the hearing focused on actual expenditure and the Tribunal has therefore made determinations accordingly, against invoices presented.
- 9. Unfortunately, the Scott Schedule was not correctly completed and general statements of case made rather than lines dealing with specific items of expenditure. The Tribunal has therefore had to produce a simplified Scott Schedule making findings against invoices and expenditure, and this is annexed. The Tribunal sets out below a summary of the parties' cases and the general findings of the Tribunal.

The applicant's case

This may be summarised as follows. Invoices had not been requested. 10. Each year a budget is issued followed by year end accounts. Most repairs are requested by the tenant. The respondent does not live at the property and wishes to cut costs. The other two residential tenants are happy with the current frequency of cleaning. The respondent's alternative quotation for cleaning at £40 per visit would equate to £1,920 per annum for weekly cleaning. Weekly fire alarm testing is required by BS 5839-2017. A competent person needs to provide documentation and only a contractor can provide this reliably and professionally. The present contractors are reliable. The lessee's proposed fire alarm contractor, Security Red Alert were unreliable, based on the applicant's experience elsewhere. Monthly visits to the property were carried out together with preparation of budgets and accounts. The management fee is reasonable. Owing to arrears, the agents have been unable to draw management fees for 2023 and 2024. The respondents service charge account is £3,959.20 in arrears. Consequently, the applicant is unable to maintain the property effectively. The agents must use what funds are available prioritising services and carrying out remedial works as and when they can. There is a need for section 20 works to be carried out, but these cannot be undertaken until the respondent has paid outstanding service charges. Third-party accountants, ZMZ Accountants Ltd provide year end accounts. The landlord has recently carried out redecoration of the common parts and installation of a new security light at the front entrance door. The shortfall caused by arrears is being met by the landlord.

The respondent's case

- The respondent's case may be summarised as follows. Cleaning once a 11. month is more than enough. No invoices were provided for cleaning. No details of building repairs were provided. Fire regulation compliance documentation is never provided, and procedures are incomplete. The landlord is charging £2422 for fire alarm work, and alarm testing is not required by the regulations. The biannual maintenance contract can be done very conveniently by the occupants. No fire risk assessment or fire safety policy was ever provided, and with this kind of property fire alarms may not be required. Electricity bills were not provided. The managing agent's fee of £1440 per annum is far too expensive. The lessee had requested alternative quotes for various items giving a saving of £3065. No basis of the 20% apportionment has been set out. The identity of the accountant is unclear. The respondent was not liable to contribute to the cost of repairs to the roof of the rear shop extension.
- In Mr Igbal's skeleton argument further points were made which may 12. be summarised as follows. Service charges are unreasonably high and the work substandard. The leaking roof has been covered in plastic sheeting and guttering is still broken. They have also breached the RICS management code for residential property in a number of respects. These were allegations that documentation had not been issued in a timely manner, client money should be held in a separate bank account, and that the fire safety policy issued on 1 November 2023 had never been served. He also raised some procedural points. He submitted that the respondent was not copied into the bundle email sent to the Tribunal. He was unable to confirm if the bundle received by the respondent was the same. Some documentation was illegible in the bundle. The applicant did not seek to agree the bundle with the respondent and some very important documents were missing. No variation to the directions had been requested.

Discussion

Procedural Matters

13. It is unfortunate that the Tribunal did not receive Mr Iqbal's skeleton argument prior to or at the hearing but it was for him to draw it to the Tribunal's attention. The Tribunal referred to the hearing bundle provided, and no objection was taken to it. Further, it contains the

lessee's responses to the claim. Reference to the RICS management code was not made in the in the lessee's responses in the Scott Schedule and it would have been too late to raise the RICS management code at the hearing. Other points in the skeleton argument were made verbally at the hearing.

Apportionment of service charges

- 14. This was raised in the Scott Schedule reply. The lease provides that the service charge is to be a fair and reasonable proportion determined by the landlord of the service costs [71]¹. In terms of the Tribunal's jurisdiction, the Supreme Court held in *Aviva Investors Ground Rent GP Ltd v Williams and Others* [2023] UKSC 6, that the Tribunal had limited power to consider the reasonableness of and rationality of such landlords' management decisions, which includes apportionment.
- 15. The proportion adopted for the subject flat is 20% and this has been the historic position. It is clear from the lease plans that the ground floor shop has about twice the footprint of the three flats above. Therefore, the Tribunal finds that the 20% apportionment adopted is rational and reasonable.

<u>Liability to Contribute to Roof Repairs to the ground floor Flat Roof.</u>

- 16. The lease defines the building as that shown edged red on Plan A. The Retained Parts are defined as including the main structure of the building including roof and roof structures and guttering. The Service Costs are the total of all costs reasonably and properly incurred or estimated to be incurred in providing the Services and complying with all laws relating to the Retained Parts. Services are defined as cleaning maintaining repairing and replacing the Retained Parts.
- 17. Therefore, the Tribunal finds that the roof covering to the ground floor shop falls within Retained Parts and that the respondent is liable to contribute to its maintenance.

Cleaning Services

18. The Tribunal finds that a once a week clean for 40 minutes with cleaners providing their own equipment is reasonable. It notes no complaints from other lessees. It does not accept the respondent's case that once a month cleaning is sufficient. It finds that the weekly cost of £43 is reasonably incurred and payable.

Fire Regulation Compliance

¹ Square brackets denote pages in the hearing bundle.

19. The landlord was entitled to choose its preferred contactor and carry out regular testing. It was not required to use the testing company postulated by the respondent particularly where the landlord had had poor service previously with that contractor. Nor are the lessees obliged to carry out testing themselves. The cost covers weekly fire alarm testing, monthly testing of emergency lighting and the automatic opening vent (AOV). The Tribunal finds that the costs are reasonably incurred and payable.

Repair Items

20. These are addressed in the Scott Schedule. Overall, the Tribunal was satisfied that repairs were of a reasonable standard having regard to the difficult circumstances of the management to which the respondent's arrears contributed.

Management Fees

21. The Tribunal accepts that there are monthly visits to inspect. The building is in an inner-city location which has attracted graffiti. There are substantial arrears and therefore section 20 works are outstanding. Currently, the flat roof to the rear of the shop has temporary coverings. The Tribunal accepts the applicant's case that the carpet needs replacing but that this cannot be done until the arrears are cleared. Therefore, the Tribunal finds that the property is not easy to manage. The Tribunal finds that the annual management cost of £288 (£1440/5) is reasonably incurred and payable.

Name: Mr Charles Norman FRICS Date: 22 April 2025

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).