



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

Case References : **BIR/31UG/LSC/2024/0616**

Property : **1-9 Court House, Norman Road,
Melton Mowbray, LE13 1JE**

Applicant : **Lessees of the Court House**

Representative : **Mr Philip Bourqui, Brunel Property**

Respondent : **G & O Securities**

Representative : **Mr Fahy, Blue Property Management**

Type of Application : **An application under ss27A & 20C
Landlord & Tenant Act 1985, and
Par 5A Schedule 11 Commonhold
And Leasehold Reform Act 2002**

Tribunal : **Judge P.J Ellis
Tribunal Member Mr I Humphries FRICS**

Date of Hearing : **17 June 2025**

Date Decision : **11 July 2025**

DECISION

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***1.The amount allowed for service charges without deductions is
£994.70. The amount allowed after variation by deduction is***

£2133 making the total determined as reasonable and payable is £3127.70. The amount allowed for management charges is £9610.00

2. The costs of the application are not reasonable costs to be taken into account of any service charge payable by the Tenant either pursuant to s20C Landlord and Tenant Act 1985 or 5A Schedule 11 Commonhold and Leasehold Reform Act 2002.

Introduction and Background

1. This is an application of determination of the reasonableness and payability of management and service charges and associated applications relating to costs. It is the third occasion when the Applicants have referred their service and management charge accounts to the Tribunal. The first application BIR/31UG/LIS/2023/0041-49 was determined by this Tribunal in September 2024. Upon determination of this matter, the issue of assessment of management charges was adjourned to be considered with this third application.
2. The second application(BIR/31UG/LFC/2024/0003) relating to the reasonableness of insurance premiums and the proper accounting for commission was determined in February 2025. The second application involved a different Respondent being the freeholder's agents who were responsible for the insurance.
3. This application also relates to service charge years 2019-2022 but raises issues different from those raised in the first application (2023/0041-49). The Tribunal has also considered the outstanding issue of management charges.
4. The issues the subject of this application as submitted by the Applicants are:
 - a) excessive Management Charges
 - b) "call-out fees"
 - c) Fire Alarm / Emergency Lighting test charges totalling £1,265.00 (now £1,318.72 following a Fire Inspector's visit on 7 March 2025)
 - d)maintenance charges; and
 - e) window cleaning charges

- f) a “price reduction” of at least 50% in Management Fees
5. The applications were made after a review of service, insurance and management charges when the Applicants formed the view they had been overcharged. The Applicants are represented by Mr Philip Bourqui of Brunel Property Management who has advised the Applicants on the reasonableness of the service and management charges.
 6. In this case and the first case the Respondent is represented by Mr Ian Fahy an employee who was not employed at the time of the relevant service charge years.
 7. This application was dated 18 September 2024. Directions were issued on 14 November 2024 . Further directions were issued on 17 April 2025. The matter came on for hearing on 16 April 2025 at the Nottingham Justice Centre when the matter was conducted substantially on written and oral submissions by the parties' respective representatives. After the oral hearing the Tribunal issued further directions to narrow issues. The parties agreed that the Tribunal could make its final determination on the paper and oral submissions without further attendance by them or their representatives.
 8. Accordingly, the Tribunal sat to consider the matter on 17 June 2025. This Decision relies on the submissions, written and oral and supporting documentary evidence.

The Property

9. It was constructed in the nineteenth century and was formerly used as the magistrates' court. It was converted to residential use in 2014 with some new buildings constructed to provide extra residential accommodation. Part of the building is Grade II listed. A fuller description is at paragraph 6 of the decision in the first case between these parties at *BIR/31UG/LIS/2023/0041-49*.

10. It was acquired by the Respondent when Urban Point were appointed managing agents. They appointed Blue Property Management of Nottingham as their sub agent on 1 January 2019.

The Lease

11. It was agreed that all leases are in substantially the same form in accordance with a term requiring all leases of the property to be drafted in the same terms.
12. The meaning and effect of the lease was not in dispute. Relevant clauses were identified in the first decision between the parties (*2023/0041-49*) at paragraphs 9-13. There is an obligation on the landlord to provide services in return for payment by the lessees of the appropriate portion of the costs. The lease does not make provision for the appointment of a managing agent but no point was taken about the retention by the landlord of a managing agent, only the size of their fees.
13. The Statutory framework relevant to this case is the same as described in the first decision at paragraphs 11-16.

The Parties' Submissions

14. In accordance with Directions the parties had prepared a schedule of disputed items of both service and management charges with space for the Tribunal's decision on each item. In addition, each side prepared brief statements in support of their respective positions. Consequently, the oral hearing was reasonably short with presentations from each representative on matters of particular concern to them.
15. There was little or no direct evidence adduced by either side. Mr Bourqui on behalf of the Applicants was in the position of representative and expert witness. Mr Fahy had not been with the Respondent at the relevant time of

Blue's retainer as managing agents. He relied on files available to him in preparing and delivering his submissions.

The Management Agreement

16. In the first application the Tribunal heard the Applicants' complaints about the charges of Blue Property Management (Blue) and its practice of instructing associated companies to carry out services, typically without qualifying long term agreements. The issue of management charges arising throughout the period of Blue's retainer was adjourned by the Tribunal to be heard with this application.
17. The terms of Blue's retainer were raised again by Mr Bourqui. He had asked for a copy of the management agreement but received only a short one-page document with a brief statement of terms which was produced to the Tribunal. Mr Fahy conceded at the time of Blue's appointment that G & O, the Respondent, did not require anything more than a short statement as described in the first decision. He asserted that since his engagement with Blue, management agreements had become more comprehensive.
18. Mr Bourqui contended the charges raised by Blue were excessive and relied on this allegation as evidence of their mismanagement and conduct contrary to consumer protection legislation

The Service Charges

19. Mr Bourqui's further comments on the service charges in addition to the Schedule were substantially concerned with charges relating to fire safety equipment testing and assessment. His contentions were that Blue arranged a scheme of testing which was substantially in excess of what was reasonably required, solely for the purpose of raising additional charges.
20. He referred to British Standard 5839 as the basis of his assertion that fire alarm testing every six months was suitable for a property of the type the subject of this application. Monthly testing as implemented by Blue was, in his view, excessive. He also contended that following an inspection by the Fire

Officer, a “stay-put” policy was appropriate for the building as only three apartments are above ground level making frequent inspection excessive, although he admitted he had not spoken to the lessees regarding the policy. Mr Fahy relied on his comments on the schedule in answer to these allegations in which he refers to the ARMA guide for fire safety in flats as justification for the level of testing.

Discussion and Decision

21. The applicants relied heavily on Mr Bourqui for their representation and submissions although the Tribunal was shown some correspondence indicating that some of the lessee Applicants were unhappy with the level of service charges as described at paragraph 29 of the first decision. Consequently, their case comprised Mr Bourqui’s opinion that the service and management charges were excessive. As Mr Fahy was not involved with the property at the relevant time he was unable to offer much assistance to the Tribunal beyond what he had gathered from information in his files which is recorded in the schedule.
22. The approach adopted by the Tribunal when considering the respective assertions was to identify what if any evidence was presented for any allegation of unreasonableness of charge or rebuttal of such allegation item by item. In the absence of direct evidence, the Tribunal considered the circumstances in which allegations or rebuttals were made to determine its decision. Where necessary, in the absence of an explanation for any particular allegation or rebuttal, the Tribunal applied its own knowledge to determine reasonableness. In particular it has had regard to the “*Service Charge Residential Management Code*” prepared by the RICS and approved by the Secretary of State pursuant to s87 *Leasehold Reform and Urban Development Act 1993 (the Code)*
23. Also, the Tribunal has the same reservation over the business model applied by Blue Property Management and its use of associated companies for service delivery as described at paragraph 32 of the first decision. The Code at Part 2 provides that the Managing Agents and their clients should enter into written

management contracts. The Statement of Terms between the Respondent and Blue fell short of the contract anticipated by the Code as acknowledged by Mr Fahy.

24. Further departures from the Code related to charges for maintenance and visits to the property to check its condition. Paragraphs 2.4(d) and 2.4(k) of the Code provide for these items to be carried out by the managing agent as part of its annual fee.
25. The Tribunal has prepared an annex to this decision setting out the sum allowed for each item. In respect of each of management charges, fire safety and window cleaning the Tribunal has taken a view based on its experience.
26. The annexed decision schedule records in summary form what sums are claimed or allowed without further explanation. The total sum determined reasonable and payable is the total of the sums under each part of the claim.
27. In making its determination the Tribunal has adopted the separation of the various claims into the parts listed by Mr Bourqui for the Applicants.
28. Part 1 was Basic Management. The Tribunal deducted almost all of these charges as the work described fell within the work a managing agent should normally carry out further to paragraph 2.4 (d) & 2.4 (k) of the Code. Moreover, the work claimed was performed by an associated company of Blue. There was no evidence the Applicants were aware of the use of the company or that its invoices were passed through to them in the budgets or accounts. The exceptional item was a claim for £168.00 which appears to be an out of hours call, but the time claimed is not justified. £50.00 is a reasonable sum for this item.
29. Part 2 are call out claims which are within the duties of an agent (Code 2.4(k)). They should not be the subject of an additional charge.

30. Part 3 relates to Emergency Lighting and Fire Safety. Mr Bourqui submitted that the frequency of visits and consequent charges were excessive. On issue of proceedings the sum in dispute was £1265.00. In written submissions on issue of the proceedings Mr Bourqui accepted that some of the charges were reasonable but contended there should be reimbursement of £994.72 representing the excess. At the time of the hearing the sum paid by the Applicants was £1318.72. After issue of proceedings in March 2025 there had been a further visit by the fire officer who advised *“The communal fire alarm conflicts with the identified evacuation strategy of ‘Stay Put’. This should be reviewed, along with the fire risk assessment, and decommissioned if the premises supports stay put”*. As a result of the Fire Inspector’s recommendations the Applicants changed their position to contend that a “Stay Put Policy” should have been confirmed thereby removing the need for the checks when Blue began managing The Courthouse in November 2018. Mr Bourqui relying on that advice asked the Tribunal to determine that all costs of fire alarm testing and servicing amounting to £1,318.72 be refunded to them. The Tribunal considers the fire officer’s letter does not support the Applicants’ claim. The Tribunal is satisfied that the frequency of testing was reasonable. The charges imposed are within a reasonable range. Moreover, as no Stay Put policy was introduced as appears from the fire officer’s report, it was reasonable to undertake the tests of equipment installed.

31. Part 4 sets out Disputed Charges for provision of key fobs and gate maintenance but apart from the sum of £31.09 which the Respondent could not justify, the Applicants relied on the opinion of Mr Bourqui who did not back up his assertions with any evidence. The Tribunal has allowed those sums on balance.

32. Part 5 comprise Maintenance Charges. There was a general paucity of evidence to support claims for a deduction but the Tribunal reviewed the invoices in making a determination of the reasonableness and payability of these items. Variations were made if the time taken was excessive. The sum claimed for electrical testing (£240) is reasonable. The sum for gate repairs was supported by production of an alternative quotation which was for a

higher figure. No evidence was produced to support the Applicants opinion that the time taken was unreasonable.

33. Part 6 is window cleaning. The Tribunal agrees the sums claimed are unreasonable, The counter proposal of £75 per visit was supported by the reduced rate now obtained by the Applicants. The Tribunal has varied the amount payable to £75 for each visit.
34. Part 7 relates to the Management Charges. The Applicants contend there should be a reduction of at least 50% of the management charges. The Tribunal is not satisfied the sums claimed can be considered reasonable. The lack of a management agreement with the Respondent is surprising having regard to the size and experience of Blue. The use of closely associated companies had resulted in some confusion over responsibilities. The Tribunal has determined that the sum of £175 including VAT pcm for the years 2018, 2019, 2020 and 2021 is reasonable and £185pcm inc VAT for years 2022 and 2023 is a reasonable increase.
35. The amount allowed for service charges without deductions is £994.70. The amount allowed after variation by deduction is £2133 making the total determined as reasonable and payable is £3127.70. As far as the management charges are concerned, the total number of months at £175 is 38 (£6650) and at £185 is 16 (£2960). The total sum for management charges is £9610.00
36. Finally on the matter of costs, Blue is no longer the managing agent. The effect of this decision is that a sum is repayable to the Applicants. The Respondent's costs of this application should not be set off against the sum due. Accordingly the Tribunal further determines the costs of the application are not reasonable costs to be taken into account of any service charge payable by the Tenant either pursuant to s20C Landlord and Tenant Act 1985 or 5A Schedule 11 Commonhold and Leasehold Reform Act 2002.

Appeal

37. If either party is dissatisfied with this decision they may apply to this Tribunal for permission to appeal to the Upper Tribunal (Lands Chamber). Any such application must be received within 28 days after these written reasons have been sent to the parties (rule 52 of The Tribunal Procedure (First-tier Tribunal) (Property Chamber) Rules 2013).

Judge P.J Ellis