FIRST-TIER TRIBUNAL
PROPERTY CHAMBER
(RESIDENTIAL PROPERTY)

Case reference	**:**	**LON/00AQ/LSC/2024/0099** **LON/00AQ/LSC/2024/0129** **LON/00AE/LSC/2022/0146**
Property	**:**	**Flat 11, Maison Alfort, 251 High Road, HA3 5EL**
Applicant	**:**	**Buttercup Buildings Limited**
Representative	**:**	**Mr Gaware (solicitor – on 22nd and 23rd January 2025)** **Mr P Anand (on 7th March 2025)**
Respondents	**:**	**Mr Rajesh Manji** **Mrs Manjulaben Manji**
Representative	**:**	**Mr Patel (counsel)**
Type of application	**:**	**Transfer from County Court: Service and Administration Charges**
Tribunal member(s)	**:**	**Judge Tueje** **Mr M Cairns** **Mr O Miller**
Venue	**:**	**10 Alfred Place, London WC1E 7LR**
Date of hearing	**:**	**22nd January 2025, 23rd January 2025 and 7th March 2025**
Date of decision	**:**	**10th July 2025**

DECISION

Unless otherwise stated, the amounts referred to in this determination relate to the total amounts claimed in relation to the Building.

References to the Respondent (singular) relate to the First Respondent.

Decisions of the Tribunal

(1) The Tribunal makes the determinations set out under the various headings and set out in tables in this decision below.

(2) The Tribunal issues Directions in respect of the applications made under section 20C of the Landlord and Tenant Act 1985 and paragraph 5A of schedule 11 to the Commonhold and Leasehold Reform Act 2002, and in respect of costs under Rule 13(1)(b) of The Tribunal Procedure (First-tier Tribunal) (Property Chamber) Rules 2013.

The Claims and Applications

1. The parties to these proceedings are set out below.

2. The Applicant, Buttercup Buildings Limited, is the freehold owner of the subject property. The Applicant's managing director is Mr Kamlesh Kumar Anand, who will be referred to in this determination as Mr K Anand.

3. The Applicant's managing agent is KPLA, whose director is Mr Ajay Anand, Mr K Anand's son.

4. Mr Rajesh Manji is the First Respondent, he is the husband of the Second Respondent, and they have been the joint leaseholder owners of the subject property since 28th October 2020.

5. Mrs Manjulaben Manji is the Second Respondent.

6. The subject property is Flat 11, Maison Alfort, 251 High Road, HA3 5EL (the "Property") let to the Respondents by a lease dated 5th May 1972, granted for a term of 99 years commencing 25th December 1971. It is a top floor one bedroom flat within a four storey purpose built block of 14 flats consisting of one and two bedroom properties.

7. The relevant provisions of the lease are set out at paragraphs 8 to 14 below.

8. The particulars of the lease contain the following definitions:

   (1) The Landlord is the registered proprietor of the property situate at and formerly known as 251 High Road Harrow Weald in the London Borough of Harrow All of which property is registered at Her Majesty's Land Registry with Title Absolute under Title Number MX 277135 And all of which property comprised in the said Title is hereinafter referred to as "the Estate"

   (2) The landlord has lately erected on part of the estate a block of 14 flats (which block is hereinafter called "the Building") …

9. These definitions will be adopted in this determination.

10. Clause 3 of the lease deals with payment of the service charges. Clauses 3(i) and 3(ii) make provision for payments on account of the Applicant's costs of carrying out its obligations under the lease (those obligations are dealt with in clause 4). By clause 3(i) the sum payable on account is £30.00 per annum, which today is a modest sum.

11. Clause 3(iii) deals with the balancing charge payable by the leaseholder, clause 3(iv) deals with the accounting period, and clause 3(iv)(b) continues:

    The maintenance charge payable hereunder shall be one fourteenth part of the total of the sum expended by the Landlord

12. Clause 4 begins:

    SUBJECT to the Tenant duly paying to the Landlord the moneys payable under the last foregoing clause hereof the Landlord HEREBY COVENANTS with the tenant

13. Clause 4 continues by setting out the works, services and other costs that comprise the service charges, including the following subclauses which allow the Applicant:

    (4) To defray such other costs as may be necessary to maintain the estate as a good class residential Estate

    ...

    (9) To employ a firm of Managing Agents to manage and maintain the Estate and the Building and to discharge all proper fees charges and expenses payable to such agents in connection therewith including the cost of computing and collecting the maintenance charge

14. As to insurance, clause 5(2) reads:

    That the Landlord will keep the demised premises insured in the full value thereof against loss or damage by the insured risks in some well established Insurance Office in the joint names of the Landlord and Tenant and any mortgagee of this Lease whose name and address shall be notified to the Landlord for this purpose and will on request produce to the Tenant the policy or policies of insurance and the receipts for the last premium in respect thereof And will layout any monies received under such insurance in rebuilding and reinstating the demised premises or such part there of as shall be destroyed or damaged

15. Flats 4, 5, and 12 Maison Alfort, 251 High Road, HA3 5EL are let to Mr K Anand. A total of 6 flats in the Building are understood to be leased to Mr K Anand, his relatives and/or officers of the Applicant company.

16. The freehold title for Maison Alfort is registered at the Land Registry under title number MX277135. However, the ground floor garage block at Maison Alfort was removed from this freehold title. It is no longer a garage block, and it's currently a non-residential space used as a warehouse/storage

17. According to Land Registry's office copy entry, by a transfer dated 30th March 1999, ownership of the garage block was transferred from Lalita Anand (Mr Kamlesh Anand's wife), Parveen Anand and Ajay Anand to Mr K Anand. The garage block or car parking area is now held under title number NGL785257.

18. An extract from the Land Registry's title register dated 26th June 2020 shows that the exterior roof and up to 100 feet of the air space above the Building, was leased to Mr Praveen Anand c/o Mr K. K. Anand on a 999 year lease at a peppercorn rent.

19. On 18th March 2022, the Applicant Landlord, Buttercup Buildings Limited, issued claim number J2QZ277T in the County Court Business Centre, seeking various sums from the Respondents comprising service charges of £2,175.14 for the year ending 31st December 2020, and £1,741.73 for the year ending 31st December 2021. The claim was subsequently transferred to the County Court at Willesden.

20. On 3rd May 2022 the Respondents filed a Defence and Counterclaim in response to claim number J2QZ277T.

21. In the interim, the Respondents submitted an Application to the Tribunal dated 1st May 2022 challenging the payability of service charges.

22. By an order dated 18th May 2023, Deputy District Judge Brown transferred claim number J2QZ277T to the First-Tier Tribunal (Property Chamber).

23. Subsequently, on 5th October 2023 the Applicants issued claim number K6QZ3P4J in the Civil National Business Centre seeking payment of £2,307.62 from the respondents in respect of the Property.

24. The Respondents' Defence to that claim is dated 26th October 2023.

25. Claim K6QZ3P4J was also transferred to the County Court at Willesden, and then transferred to the First-Tier Tribunal by Deputy District Judge Cheesman by an order dated 5th April 2024.

26. In a directions order dated 14th June 2024, the Tribunal set directions and listed the matter for a final hearing on 18th October 2024. However, this final hearing was adjourned. Paragraph F of the order dated 18th October 2024 reads:

On 17 October, the Applicant sent to the tribunal (by email) three separate bundles. None of the bundles were in the form provided for in the tribunal's directions, and they appeared to be a jumble of emails, letters and service charge documents. The bundles did not appear to contain any documents dealing with the respondents' case.

The Scope of the Application

27. We remind ourself that these Applications are being determined pursuant to section 27A. We are not determining an application made by the Respondents against the Applicant for breach of covenant. Consequently, in the interests of proportionality, we will address the various complaints raised by the Respondents only to the extent that they are relevant to whether the service charges claimed by the Applicant are payable. Therefore, we will not provide a substantive determination on extraneous matters.

28. Mr K Anand states that the service charges claimed relate only to the parts of the Estate or Building that leaseholders have access to. We have seen no evidence that the service charges in dispute relate to works and maintenance carried out in respect of the roof space demised to Mr P Anand. In fact, other than their assertions, the Respondents have not provided evidence that undermines this aspect of Mr K Anand's evidence. Despite the Respondents submissions that they should be liable for 1/16th of the total service charges based on ownership of the former garage block and the roof space, we have determined the service charges payable in accordance with the terms of the lease and the proportion stipulated therein, being 1/14th.

29. Regarding being denied access to the garage block, in closing submissions, Mr P Anand disputes that leaseholders have any rights to park vehicles on the Estate by virtue of garages being a condition of the planning permission granted. Mr P Anand relied on *Arnold v Britton [2015*] to interpret the lease, which he says does not confer that right on leaseholders. In any event, Mr K Anand states service charges relate to the areas on the Estate that leaseholders have access to.

30. Similarly, the provisions under the lease determine the service charges that are payable under section 27A, irrespective of the allegation that the Applicant, other companies, and/or individuals associated with the Applicant may receive income or other benefits from the former parking area and the roof space. For completeness, we note that by clause 1 of the lease, the roof space is not included in the Respondents' demise. Furthermore, the Tribunal does not have jurisdiction to redistribute any benefits received from the telecommunications mast, as requested by the Respondent.

The Tribunal Proceedings

31. This matter had originally been listed for a final hearing on 18th October 2024. The Applicant had filed three separate bundles for that hearing, none of which contained the Respondent's documents. That hearing was adjourned by Judge Martyński who gave directions, including as to the format of the Applicant's hearing bundle.

32. Judge Martyński re-listed the matter for an inspection on 22nd January 2025, followed by the final hearing on 22nd and 23rd January 2025.

33. Accordingly, we inspected the Property and the Building and communal parts at Maison Alfort, 251 High Road, HA3 5EL at 10.00am on 22nd January 2025. During the inspection we were also shown a non-residential unit on the ground floor which used to be part of the garage block.

34. In addition to the Tribunal, the following were present during the inspection:

    34.1 Mr Kamlesh Anand;
    34.2 Mr Gaware, the Applicant's solicitor;
    34.3 Mr Praveen Anand, Mr K Annand's son and a consultant at the Applicant company;
    34.4 Mr Rajesh Manji; and
    34.5 Mr Patel, the Respondents' counsel.

35. Details of the Tribunal's inspection are set out at paragraphs 36 to 54 below.

General

36. Maison Alfort is a purpose built, four storey/ flat roofed block of 14 flats thought to have been constructed in the 1970s. The Property is laid out as two blocks connected by a common stairwell and so is essentially H shaped in plan. There is a further single storey extension to the rear which, we were advised, had originally provided garage car parking that had extended under the rear ground floor of the block. The flat roof over the extension had provided a veranda area and rear staircase exit to the rear yard but there was now no access to the veranda as the first floor access door off the common stairway was now permanently locked.

37. The external walls of the block were predominantly brick faced and presumed cavity construction. There were rendered and painted panels below those windows adjacent the stairwell returns and the middle windows of the flank elevations which are likely blockwork construction. Separating floors were of solid concrete construction. On the roof a telecommunication mast or masts had been constructed on the South block roof .

38. There were 7 flats in each block with one flat at ground floor and two flats on each upper floor of each block. We were advised that seven flats were one bedroom units and seven were two bedroom units.

39. The main entrance faces East and onto the High Road. The block is surrounded on the front and flank elevations by modest and sparsely grassed areas incorporating several large mature trees particularly to the front area. The rear plot was not accessible and surrounded by six foot timber fencing incorporating locked timber panelled gates.

40. The Tribunal toured the common parts including viewing an electrics cupboard and CCTV store room that were at ground floor. There was a skylight roof access in the top floor ceiling of the common parts but as it lacked fixed access the roof was not viewed. The subject flat, Number11,was a single bedroom unit on the top

floor of the North block. This flat was the only flat accessed by the Tribunal. The external areas were also viewed.

Conditions

41. Internally and externally we were concerned to note numerous defects and deficiencies with the Property. Our overall assessment was of a poorly maintained and dated block. Matters noted included:-

Common Parts

42. Discoloured and dated wall paintwork and including areas of damp damaged, blistered and mould stained plasterwork. Floor finishes were also stained and worn (The dismal impact of the conditions was particularly compounded at ground to first floor where natural light was poor – likely the result of infilling original entrance area glazing and the fitting of a timber front door).

43. Numerous missing and chipped vinyl floor tiles on landings and missing edge nosings to the stairway.(In addition to the potential trip hazards in this means of escape old vinyl tiles often have asbestos content).

44. There were large accumulations of materials on some landings including combustible materials and potential obstructions in the means of escape. There were shared glazed fire lobbies for each pair of flats some of which had some furnishings and/or storage. As shared lobbies this appeared to us to be unsuitable from a fire safety perspective. In one first floor lobby the ceiling plaster had been removed.

45. Fire escape signage was minimal and the locked veranda door had a potentially misleading fire exit direction sign affixed to it.

46. The main electrics cupboard is under the stairs in the ground floor hall LACORS guidance is that that this siting should be avoided where possible but any cupboards should be of full fire resisting construction. This cupboard appeared inadequate. The door lacked smoke stops and intumescent strips. The floor was holed and there was debris on the floor. In addition to the usual domestic equipment the cupboard housed telecommunications mast power connections.

47. Walls, stair rails and windows were festooned with numerous taped A4 printed notices directed at tenants on issues such as storage in common parts. These appeared to us to have been very recently applied and seemed overbearing and depressing additions to an already grim ambiance.

48. In the Property we were shown an historic damp stain to the ceiling approximately 300mm x 100mm and in this position a past roof leak was considered the likely cause. We were also shown retro fitted surface mounted copper pipework which the respondent claimed was installed by him after a problem with the block's plumbing.

External Areas

49. There was no refuse chute or other provision for refuse storage inside the block save for within the individual flats. Disposal was to unenclosed bulk bins near the rear North flank corner. This was a significant distance from the block's front entrance/exit and there was no rain protection to this route. The bins on our visit were full to overflowing and refuse sacks had also been placed on adjacent street furniture. In this location and with no enclosure the bins were accessible for non-residents for refuse disposal and refuse could also be disturbed by birds and other pests and be a source of nuisance from flies and odours.

50. There was considerable historic water staining to brickwork – particularly on the North flank elevation where it had spread out from the top floor to 3-4 m wide at the base. A past plumbing issue was indicated.

51. The concrete surround to a drain cover near the front North corner was holed and appeared to allow potential for rat ingress and egress and possible odour problems although none were evident on this visit.

52. Although there was external lighting provision we were advised by the applicants that this was no longer used.

53. Viewed from the upper stairway windows and through gaps in the rear fencing the now enclosed and locked rear areas were seen to have chaotic and unsightly storage similar to a poorly run builders yard. The gates to the yard were in unsightly and in some despair with mismatched and water damaged panels and extensive flaking paintwork.

54. There was staining to parapet brickwork on the rear elevation behind a rain water down pipe of the South block. Paintwork to rendered panels below rear windows was in poor condition.

The hearing

55. The hearing began at 1.00pm on 22nd January 2025. At the start of the hearing, after being told of the need to monitor Mr K Anand's blood sugar, we suggested the Tribunal should have periodic breaks, as and when requested by Mr K Anand, as a reasonable adjustment.

56. Before the substantive hearing began, we orally listed the documents it had been provided with for the hearing. The Applicant's documents consisted of three hearing bundles, and we identified these bundles with reference to the page count of each. We sought clarification that all the documents the parties wished us to rely on during the hearing had been listed, and the Applicant confirmed that was the case. Although these bundles were not in the format directed by Judge Martyński, we were mindful of the previous adjournment, and the two-day listing of the adjourned hearing, we therefore considered the proportionate approach was to proceed with the hearing.

57. During the hearing in January 2025 the Applicant sought to rely on additional bundles beyond those listed at the outset. On numerous occasions during his evidence, Mr K Anand referred to documents supposedly in the bundles, which bundle it transpired we did not have. This resulted in numerous bundles being introduced incrementally.

58. Mr K Anand completed his oral evidence by the late afternoon on 23rd January 2025. We then adjourned the matter part-heard to 7th March 2025 to hear evidence from the Respondents and closing submissions.

59. Ahead of the adjourned hearing, the Respondents submitted an Order 1 form dated 4th February 2025 requesting specific disclosure. We refused the application.

60. We considered it inappropriate to admit additional documentary evidence at that stage, as the Applicant's oral evidence had already been given. To admit evidence at that stage would deprive the Applicant of an opportunity to give evidence on any recently admitted documents. Furthermore, it would be disproportionate to recall Mr K Anand to provide additional oral evidence to deal with any recently admitted documents, which risked the hearing not finishing on 7th March 2025.

61. All individuals present on 22nd and 23rd January 2025, except for Mr Gaware, attended the hearing on 7th March 2025. At the start of the hearing on 7th March 2025, we gave the parties with a written list of all bundles submitted, and asked to be informed if any documents were missing.

62. We reconvened without the parties on 6th May 2025 intending to deliberate. However, it became clear that material parts of the respondent's lease were illegible due to poor quality.

Documents

63. The contents of the list we complied of the documents submitted by the parties for the hearing on 21st and 22nd January 2025 (and also used on 7th March) is set out below.

64. The Applicant's documents (adopting the Applicant's description of the documents):

    64.1 20.1.2025. summary of late emails & copies disputing s.c.y.e.31.12.20.21 &22
    64.2 6.01.2025 Applicant Skeleton argument flat 11 maison alfort hearing 22^LL023.01.2025
    64.3 021220~1
    64.4 181020~1
    64.5 281120~1 DISPUTED SERVICE CHARGES YEAR ENDED 31/12/2020
    64.6 YE3112~1

64.7 (3).05.1.2025. MAISON ALFORT.FREEHOLD TITLE.'MX277135'EXL. REAR GARAGE
64.8 2).05.1.2025.GARAGE FREEHOLD TITLE.'NGL785257' REAR MAISON ALFORT
64.9 05.01.2025. DATED.02.11.2000.'MAISON ALFORT 'ROOF SPACE' LEASED TITLE.' NGL794439'
64.10 BY LORD. NEUBERGER SEVEN IMPORTANTS FACTORS OF COURT INTERPRETAINGS THE TERMS OF FLAT LEASE
64.11 (3)Y.E.31.12.2022(2024-29NOV)MAISON ALFORT.PAID INVOICES & OTHER DOCUMENTS Y.E.31.12.2022
64.12 6.12.2024.DISPUTING SERVICE CHARGES Y.E.31.12.2022
64.13 (3).FINAL Y.E.31.12.2021. MAISON ALFORT, PAID INV. RENT A ROOM & ANNUAL EXCESS DEMAND Y.E.31.12.20
64.14 6.12.2024.DISPUTING SERVICE CHARGES Y.E.31.12.2021
64.15 Y.E.31.12.2021. MAISON ALFORT..RENEWAL OF APPOINTMENT OF MANAGING AGENTS
64.16 20.1.2025. summary of late emails & copies disputing s.c.y.e.31.12.20.21 &22
64.17 17.01.2025. SUUPORTING DOCUMENTS FOR APPLICANT SKELETON ARGUMENT FOR HEARING ON.22&23 .1.2025

65. The Respondents' Documents:

65.1 Respondent's skeleton
65.2 Application for costs
65.3 Application to adduce a 2nd witness statement
65.4 R's authorities
65.5 Bundle for hearing 22-1-2025
65.6 R's Application dated

66. As stated, at the reconvened hearing on 7th March 2025 we heard evidence from the Respondent, and closing submissions from both parties.

67. Mr P Anand gave oral closing submissions on behalf of the Applicant. At times his submissions strayed into giving evidence. When this occurred, we asked him to discontinue giving evidence, explaining that we would not take into account evidence given during closing submissions.

68. In his submissions, Mr Patel argued that the Applicant failed to comply with section 20 of the Landlord and Tenant Act 1985 before appointing managing agents pursuant to an alleged qualifying long term agreement. We identified *Corvan (Properties) Limited v Abdel-Mahmoud [2018] EWCA Civ 1102* as a relevant authority on this point which neither party had referred to.

69. Given that the managing agent's fees constituted between 25% to 33% of the disputed service charges, we deemed it proportionate to allow the parties to make submissions on how this authority should be applied in the present case. We gave directions for written submissions after the hearing, to address whether the terms of the written agreements between the Applicant and managing agents

constituted a qualifying long term agreement as defined by section 20 of the Landlord and Tenant Act 1985 and paragraph 4 of the Service Charges (Consultation Requirements) (England) Regulations 2003 SI No 1987 in light of the decision in *Corvan*.

70. The parties were informed that any submissions that went beyond addressing the managing agent's agreement in light of *Corvan,* would not be taken into account.

71. The totality of the documentation submitted by the Applicant was excessive, and they were disorderly. The quantity of documents is detailed in paragraphs 64 to 65.6 above. The bundles were also not prepared in accordance with the directions orders dated 14th June 2024 and 18th October 2024. Managing this quantity of bundles was extremely difficult, particularly as the indexes were incomprehensible. That was exacerbated by confusing pagination; pages were marked with numbers (sometimes duplicated) that did not correspond with their position in the bundle, and internally the documents were not arranged logically, for instance, chronologically or by category. The vast majority of the documentation was prepared by the Applicant, such as invoices and agreements, which were difficult to follow. This state of the documents significantly prolonged the hearing, which took 3½ days including deliberation, rather than the 2-day time estimate.

72. Navigating these bundles was time-consuming, and it was also impossible to cross-reference the Scott schedule with the Applicant's bundles.

73. Furthermore, during the hearing on 22nd and 23rd January 2025 Mr K Anand displayed obvious irritation, frustration, and at times visible anger at the time taken to navigate the bundles. At other times during the hearing he was patronising, and sometimes belligerent towards Mr Patel, for instance by refusing to answer his questions, responding with "no comment", or criticising Mr Patel's questions as stupid or unprofessional. Mr K Anand was also rude to the Tribunal, including expressly querying whether its members had the relevant expertise.

Post Hearing

74. We reconvened on 6th May 2025 to deliberate. The case officer informed us that the parties had not sent the requested written submissions (see paragraphs 68 to 70 above). It also became apparent during our deliberations, that the multiple copies of the lease for the Property that had been provided in various bundles, were all poor quality, and certain clauses were completely illegible.

75. Therefore, on 7th May 2025 we issued directions requiring the parties to provide their written submissions, and directing the Respondents provide a good quality copy of the lease. The Respondents replied explaining both sides had already sent their written submissions, and re-sent them. Regarding providing a copy of the lease, the respondents stated they couldn't provide this because HM Land Registry did not hold a copy of the lease.

76. On 19th May 2025 we issued further directions instructing the Applicant to provide a good quality copy of the Property's lease or a sample lease for another flat within the Building containing the same terms. On 28th May 2025 the Applicant sent an unsolicited 24-page document containing submissions, but did not provide a copy of the lease. On 13th June 2025 we issued a *"minded to strike out notice",* informing the Applicant that we were minded to strike out the Application due to non-compliance with the Tribunal's directions, including the failure to provide a good quality copy of the lease. The Applicant was also informed that we would not consider the document submitted on 28th May 2025.

77. The Respondents' submissions urged us to strike out the Application. The Applicant requested that the Application not be struck out, and provided an adequate copy of the lease for the Property, although various clauses on that copy had been highlighted. There was no explanation as to why this copy of the lease had not been submitted previously.

78. The documents submitted by the parties post hearing include the following:

    78.1 The Applicant's written submissions regarding Corvan (requested by the Tribunal);

    78.2 The Respondent's written submissions regarding Corvan (requested by the Tribunal);

    78.3 An e-mail from the respondent attaching a letter from Land Registry stating the latter did not hold a copy of the Property's lease (responding to the Tribunal's request);

    78.4 An Order 1 form from the respondent dated 12th May 2025 requesting permission to expand the scope of the written submissions (not requested by the Tribunal);

    78.5 A 24-page document e-mailed by the Applicant on 28th May 2025 titled: "2MAISON ALFORT.FLAT 11 SUBMISSION STATEMENT 28.02.2025 (not requested by the Tribunal).

79. In the interests of managing documentation, and of proportionality, we directed that the Applicant must e-mail, not post documents to the Tribunal. The Applicant objected to this, and relying on rule 16(8) to dispute our authority to make this direction.

80. At paragraph 3 of the order dated 19th May 2025, we explained our reasons for this direction, and why rule 16(8) does not preclude us making this direction. However, the Applicant continues to complain about this direction. Our direction regarding e-mailing, and not sending, documents to the Tribunal still stands, for the reasons previously given.

The issues

81. The issue for determination is the reasonableness of service charges, the global amounts claimed for the years ending 31st December 2020 amounting to £29,751.96, 31st December 2021 for £25,384.28, and 31st December 2022 for £28,727.42. Different amounts are claimed in some of the documents, but the Applicant clarified at the hearing, that these were the sums claimed, and they were the amounts stated on the Expenditure Account prepared by the accountants.

82. The Applicant's position is that the respondents are liable to contribute 1/14th of these costs. In challenging these costs, Mr Patel based his arguments on service charges for the year ending 31st December 2020, but stating the points he made were equally applicable to subsequent years.

83. We reached our decision after considering the oral and written evidence, including documents referred to in that evidence, and based on our assessment of the evidence.

84. This determination does not refer to every matter raised by the parties, or every document reviewed or taken into account. However, this does not imply that any points raised, or documents not specifically mentioned, were disregarded. If a point or document was relevant to a specific issue and referred to in the evidence or submissions, we considered it.

85. We made findings on various categories of service charges at paragraphs 88 to 164 below. The determination on the specific items challenged are set out in the tables following paragraph 164.

Service Charges due prior to the Respondent's Ownership

86. The Respondents position is that they are not liable for any service charges for the year ending 31st December 2020 because these were paid by the previous owner of the Property. Alternatively, they claim they are only liable for service charges from 28th October 2020, when the lease was assigned to them.

87. To support this argument they rely on paragraph (e) of the leasehold enquiries section on the third page of the *"Report on Proposed Purchase of Flat 11"*. This document contains a proposal that the seller's solicitors retain £11,929.54 for service charge arrears claimed from the Respondent's predecessor in title. The document seeks confirmation that the Respondents agree to this, and they say that they did agree to this. As Mr P Anand pointed out, the Respondents were legally represented when they purchased the Property, and they should have been advised to retain relevant legal documents for resolving disputes such as this. However, there is no correspondence from the seller's or the respondent's solicitors confirming the proposed retention was agreed and/or actioned. Mr Patel also did not address whether, and if so how, the provisions of the Landlord and Tenant (Covenants) Act 1995 apply to this issue. Absent clarification on this point, coupled with the failure to provide supporting documentation, the

Respondents have failed to prove that on the balance of probabilities that they are not liable for service charges for the whole of the year ending 31st December 2020.

Insurance

The Tribunal's Decision

88. We find the amount payable for insurance is £0.

Reasons for the Tribunal's Decision

89. Clause 5(2) of the lease deals with insurance (see paragraph 14 above).

90. Mr K Anand's evidence on 22nd January 2025 was that the insurance was arranged through a third party broker, he said that he also personally tested the market himself to ensure the premium charged to leaseholders was reasonable. Mr K Anand also confirmed the building insurance policy was solely in the Applicant company's name. He initially refused to answer questions about the scope of the insurance cover, but when pressed, he said that the policy applied only to the residential parts of the Building. He said the non-residential premises were not insured, and in the event of a disaster such as a fire, the Applicant would bear the loss. Mr Patel pressed Mr K Anand further about this. He asked Mr K Anand why the insurance broker's invoice dated 23 November 2024 described the policy as "commercial property owners insurance." He also asked why the policy included business interruption if it was a residential policy. Mr K Anand was adamant the insurance costs claimed from leaseholders did not include cover for the non-residential premises.

91. Mr Patel relied on the case of *Green v 180 Archway Road Management Co Ltd [2012] UKUT 245 (LC)* where the Upper Tribunal held that where a lease required the landlord obtains insurance in the joint name of the landlord and tenant, but the landlord failed to do so, the tenant was not liable for the insurance premiums. Mr P Anand sought to distinguish this on the basis that in this lease, insurance is paid as additional rent. Mr Patel added that the insurance was of no benefit to the leaseholders, because when the Respondent wanted to make an insurance claim for a leak into his property, he received no response from the Applicant to his enquiries. In the end, the Respondent paid for to repair the damage caused by the leak himself.

92. We find the express provisions of the lease require insurance is taken out in joint names. The Applicant accepts that, in breach of those provisions, for the periods in dispute, insurance was in the Applicant's name only. In light of the binding authority in *Green,* we conclude that the Respondents are not liable for the insurance premiums being claimed. We reject the Applicant's argument that *Green* should be distinguished. The insurance payable in this case meets the statutory test of being a service charge as defined by section 18(1) which includes amounts paid *"as part of or in addition to rent."* Given that service charges

recoverable as rent are treated the same under the legislation, consistency requires they should not be distinguished by case law.

Electricity

The Tribunal's Decision

93. We find the amount claimed for electricity is not reasonable. The sum claimed is reduced to £982.16 for the year ending 2020, to be increased according to the consumer price index for subsequent years.

Reasons for the Tribunal's Decision

94. The Applicant's evidence of the electricity costs included two estimated electricity bills from E-on. The first is dated 11 January 2020 for £487.69, the second is dated 16 April 2020 for £494.47. The Respondent offered £982.16 for electricity, which corresponds to the total of the estimated bills provided by the Applicant. The Applicant also issued an invoice to leaseholders for £1,300 for electricity, which Mr K Anand explained was to make provision for these costs.

95. Mr Patel challenged Mr K Anand about why two bills had been provided for only some of the costs claimed, and why those were estimated bills. Mr Patel also calculated (as do we) that the total of the estimated bills and the KPLA invoice came to £2,282.16, being less than the £2,302.45 being claimed by the Applicant.

96. Mr Patel also asked whether the electricity charges passed on to leaseholders included usage by the telecommunication mast and/or the non-domestic premises. The Applicant denied this, asserting that the mast had a separate meter and was billed independently. The Respondent's evidence tended to support this: he accepted during cross examination that during the inspection in January 2025 when the electricity to the common parts was turned off, the lights in the ground floor warehouse remained on. This suggests the electricity is supplied separately.

97. We noted that irrespective of the account number on the bills (which may change for a variety of reasons) the E-on bills specifically stated the supply was for the common parts. We found no evidence that electricity for the telecoms mast or non-residential areas was included in the charges to leaseholders. The fact that the warehouse lighting remained operational when the common parts' electricity was off further supported this.

98. Therefore, we consider £982.16 to be a reasonable amount for the electricity charges. For subsequent years, this figure was used as a baseline and adjusted according to the Consumer Price Index for 2021 and 2022.

Accountancy Fee

The Tribunal's Decision

99. We find the accountancy fees are not yet payable because they have not been demanded in accordance with clauses 3(1) and 3(iv)(b) of the lease.

100. If the accountancy fees are demanded in accordance with the terms of the lease, we consider the amount that is reasonable is £250.00 per year excluding any VAT that may be due on the fees.

Reasons for the Tribunal's Decision

101. Mr Patel questioned Mr K Anand about the absence of invoices or fee notes for the accountant's costs. Mr K Anand stated that the accountant, who treated him like a father, would only invoice him once leaseholders had paid their service charges. Effectively, his evidence was that the accountant had extended him credit for the accountancy service. Mr K Anand expected an invoice would be issued in due course. The £400 plus VAT claimed was Mr K Anand's estimate of what the accountant would eventually charge.

102. Mr Patel challenged the legitimacy of the accountancy fees, arguing that they were not reasonably incurred or alternatively should be no more than £250. He pointed out that the lease did not require the accounts to be certified by an accountant and further criticised the quality of the accountant's service, citing errors such as the miscalculation of electricity charges and building costs.

103. Despite the absence of any express provision in the lease, we consider it is open to the Applicant to treat the preparation of service charge accounts as necessary in accordance with clause 4(4) of the lease. It is now common for service charge accounts to be prepared, and for transparency, we consider it is reasonable to engage an accountant to prepare service charge accounts.

104. However, given the quality of the service, including the miscalculations and the absence of adequate third party invoices, we conclude that the Respondent's offer is a reasonable amount £250. This amount will not be adjusted for inflation, as the figure claimed by the Applicant has remained unchanged in subsequent years.

105. Despite the above, we conclude the accountancy fees are not currently payable. That is because these costs have not been paid out. The Applicant was effectively seeking to make provision for a future cost. However, the lease only allowed for a £30 annual payment on account of service charge costs, with any additional sums to be recovered through a balancing charge once actually incurred. Therefore, under the terms of the lease, the Applicant is not entitled to claim this £250 in advance.

Building Repairs, Maintenance and Renewals

The Tribunal's Decision

106. We consider the amounts claimed by the Applicant are reasonable, being £1,210 for the year ending 2020, £555.00 for the year ending 2021, and £440 for the year ending 2022.

Reasons for the Tribunal's Decision

107. When questioned about the contractors responsible for the works covered by the claimed expenditure, Mr K Anand initially refused to provide the contractors' names. After being pressed, he identified a man named John, and when pressed further for John's last name, said it was Williams. He also said Mr Williams is self-employed. Mr K Anand explained that Mr Williams does not issue invoices for the work he performs for the Applicant, and that he is paid in cash directly by Mr K Anand. When asked whether KPLA, the Applicant's managing agent, issued invoices for the work carried out by contractors, Mr K Anand responded that because KPLA was his own company, he did not need to produce invoices.

108. Further questioning about who else carried out repairs or maintenance were also met with resistance. Eventually, Mr K Anand mentioned another individual named Ram, though he did not provide a last name. Mr K Anand also stated that his son, Ajay Anand, performed some of the work.

109. When asked how the £1,210 charged for repairs, maintenance, and renewals was calculated, Mr K Anand said he didn't know how the accountant calculated that figure.

110. Mr Patel raised concerns about the credibility of the invoices submitted by KPLA. He questioned why certain repairs appeared to be repeated annually, such as the replacement of the main door hinges in both 2020 and 2021. Mr K Anand attributed this to vandalism and general damage, claiming residents do not look after the Building. Mr Patel also pointed out that two invoices for repairs to wall lights in the communal hallway were dated exactly one year apart. Mr Patel put to Mr K Anand that this indicated the invoices were fabricated. Mr K Anand's response was that he made no comment. When Mr Patel put to him that he had not denied the allegation, Mr K Anand repeated that he made no comment.

111. Despite the poor documentation surrounding the charges, and Mr K Anand being unforthcoming in his evidence, we conclude that the costs claimed for repairs, maintenance, and renewals are reasonable. Given the size and age of the building, we find it more likely than not that some level of work would have been necessary, and therefore considered the amount claimed to be reasonable.

Cleaning and Garden Maintenance

The Tribunal's Decision

112. We find the amounts claimed for gardening and maintenance are not reasonable, and we reduce these from £3,826.25 to £1,750.00 for the year ending 31st December 2020, to be increased according to the consumer price index for subsequent years.

Reasons for the Tribunal's Decision

113. Mr K Anand gave oral evidence explaining that a contractor named Ram is responsible for both cleaning and gardening services at the Property. Ram uses equipment provided by KPLA to carry out the gardening work. According to Mr K Anand, KPLA charges £35.00 per hour for Ram's labour, of which £15.00 is paid to Ram in cash. The remaining £20.00 is retained by KPLA to cover commission and other unspecified overheads.

114. When asked to clarify the services Ram provides, Mr K Anand stated that Ram cleans the common parts, including the hall, landings, stairs, and outside litter, for one hour per week. He also stated that Ram had spent six hours cleaning the previous week, namely the week before our inspection. For gardening, Ram is said to cut the grass and other general garden maintenance, which takes between 1.5 to 2 hours per week.

115. The Respondent criticised the quality of both cleaning and gardening. He observed that the common parts above the first floor were not cleaned and that the grass was uncut during his visits. However, under cross-examination, the Respondent accepted he had not submitted any formal complaints about these issues, saying there were other matters he had to deal with. The Respondent also accepted he had not provided photographic evidence to support his account. Mr Patel's skeleton argument notes these costs exceed £250 per leaseholder, but claims there has been a failure to consult leaseholders. However, that was not put to the Applicant, nor in our judgment, do these amount to qualifying works.

116. We found it unreasonable for the managing agent to charge both a management fee and an additional commission of £20.00 per hour on routine services like cleaning and gardening, particularly a commission at such a high rate. Charging a commission is contrary to the practice recommended by RICS. Therefore, we concluded that it was unreasonable for leaseholders to pay more than the actual amount received by the contractor.

117. Based on the condition of the Building and outside area, we determined that the claimed three hours of weekly service was not reflected in the results.

Particularly taking into account that Ram spent six hours cleaning the common parts the week before. We found that two hours per week was a reasonable amount of time for both cleaning and gardening, with some seasonal variation for gardening. We calculate that equates to £1,750.00 for 2020, and it is consistent with the maximum amount offered by the Respondents.

Managing Agents Fees (£600 per flat)

The Tribunal's Decision

118. We considers the management fee for 2020 is not reasonable, and reduce this amount to £200 for 2020, to be increased according to the consumer price index for subsequent years.

Reasons for the Tribunal's Decision regarding the costs

119. Mr K Anand gave evidence that KPLA has managed the Property for over 45 years. His son, Mr A Anand, is the sole director of KPLA, while Mr K Anand acts as a consultant and handles the day-to-day management of the Building. Mr K Anand states he is a charted management accountant by profession, and has around 40 years of experience in property management. Although he acknowledged being aware of the RICS Service Charge Residential Management Code, he admitted he was not familiar with its contents.

120. Mr K Anand says that KPLA typically charges £600 per flat for block management, a fee that has increased annually since 2020. The management agreement by which the Applicant engages KPLA to manage the Building was signed by Mr K Anand in his capacity as managing director of the Applicant company. When asked whether the terms of the management agreement, including the fee, were discussed with Mr A Anand (as KPLA's director), Mr K Anand said they were not. He continued that he does not need to discuss the terms because it is a family company, and he is head of the family. He said the Applicant company and KPLA are the same: KPLA manages the Applicant's multiple freehold blocks. Finally, Mr K Anand stated that he fixed the managing agent fee based on his assessment of the market rate.

121. The Respondent relied on an alternative quotation from Woodwards managing agents, who, after inspecting the Building, quoted £250 per flat to manage the Building, including cleaning, maintenance, and arranging insurance, for £250 plus VAT per flat per year. The Respondent accepted that Woodwards had minimal documentation to base its quote on.

122. Regarding the condition of the Building, Mr K Anand claimed this was due to leaseholders, including the Respondents, failing to pay their service charges. He also suggested that the Applicant's obligations under clause 4 of the lease are not engaged because the Applicant's performance of clause 4 is subject to the Respondents paying the service charges, which they have failed to pay.

123. However, the Applicant made no submissions as to why or how clause 4 may justify, what we found during the inspection, to be a poorly maintained block. In particular, the Applicant advanced no argument as to whether or why clause 4 may be a condition precedent. Nor was there any argument as to whether the respondents had failed to *"duly"* pay sums owed. Given that so far there has been no determination of the amount payable by the respondents, it is not clear why the Applicant maintains the Respondents have failed to duly pay.

124. Aside from the condition of the Building, Mr Patel questioned the quality of KPLA's management, particularly its failure to respond to the Respondent's e-mails (see paragraph above). Mr K Anand claimed he did not have to respond because the Respondent had not paid his service charges, though he said he had reported the leak to the insurer himself. However, no evidence of this was provided.

125. Mr Patel put it to Mr K Anand that the agreement with the managing agent is not genuine, Mr K Anand vigorously denied this.

126. The Respondent's position is that the managing agent's fee should be limited to £100 because the agreement is a qualifying long term agreement yet there has been no statutory consultation.

127. An important area of property management is fire safety. This requires arranging for appropriately qualified individuals to carry out the relevant inspections and testing, and for fire risk assessments to be regularly reviewed, and after any changes in conditions or any fire incidents (see paragraphs 43 to 46 above). During the inspection we saw a number of fire safety deficiencies. For example, debris and furniture in the lobby, which could impede escape during a fire. Past photographs in the Respondent's bundle indicate this was relevant historically, which also indicates chronic failings to meet appropriate fire safety standards. During the hearing we asked Mr K Anand about what fire risk assessments KPLA had arranged in respect of the Property. He stated the most recent fire risk assessment was carried out in 2018, but this was not provided for our evaluation. As to the electrical installation, this should be inspected every 5 years, but Mr K Anand didn't know when this was last done. He accepted that the time that had elapsed since the last risk assessment and/or electrical inspection could potentially jeopardise insurance cover. In answer to other questions from the Tribunal, Mr K Anand confirmed that KPLA is not a member of any landlord associations, nor of any redress scheme.

128. These responses, combined with the condition of the Building when we inspected it, leads us to conclude that the costs claimed for property management are unreasonable. While Woodward's quotation was based on limited information, it provides some guidance as to the local market rate. Because we find the property management is below the standard we expect from professional managing agents, we consider an amount equivalent to 80% of the quotation from Woodwards to be reasonable.

Reasons for the Tribunal's Decision regarding section 20

129. We have applied the guidance in *Corvan,* to determine whether the management agreement is a qualifying long term agreement. A summary of that guidance states we should take into account (i) the natural and ordinary language; (ii) any other relevant provisions of the lease (iii) the overall purpose of the clause and lease; (iv) the facts and circumstances; and (v) commercial common sense. Corvan also held that an agreement is a qualifying long term agreement where its terms stipulate that is must last for more than 12 months.

130. The management agreement in this case is very poorly drafted, and contains typological errors. However, we have concluded that the natural meaning of the words used is that it is an agreement expressed to be for 12 months, that may rollover, but may also be terminated on or before 12 months.

131. The agreement contains three provisions dealing with termination, which are dealt with below.

132. The first two of these provisions are set out as alternatives, both of which are at clause 1.2. The first of those reads: *"This agreement can be terminated with Effect from expiry"*

133. We find this provision means, if invoked, termination of the agreement takes effect on expiry of the agreement. As stated, because the agreement is for 12 months, this means the agreement may be terminated at the 12-month point. So this would not be more than 12 months.

134. The second provision at clause 1.2 reads: *"OR by either party giving notice in writing of a minimum of 3months"*

135. We consider this means that either party can give notice of termination at any time, providing it is in writing and gives 3 months' notice.

136. Finally, clause 1.5 reads (original emphasis and capitalisation):

> ***<u>This Agreement is for (12 months) it will be roll over on an annual Basis</u>*** *Only (of 12 months) if notice to terminate is not given <u>TO THE COMPANY</u> from the freeholder BUTTERCUP BUILDINGS LIMITED of the property before the end of Financial year i.e. 31st. December.2020*

137. By clause 1.5, the agreement will rollover after 12 months if notice is not given, meaning it is not mandatory that it will last more than 12 months.

138. In accordance with *Corvan,* having regard to the natural meaning of the language used, and in all the circumstances, as the management agreement could last for 12 months or less, we conclude it is not a qualifying long term agreement.

Legal Costs Awarded to LB Harrow

The Tribunal's Decision

139. These costs are not payable, and the amount claimed is reduced to £0

Reasons for the Tribunal's Decision

140. In cross examination Mr K Anand reiterated the account contained in the Scott schedule. He explained this item relates to London Borough of Harrow's legal costs for bringing a prosecution in respect of an improvement notice served on the Applicant. Although the prosecution was withdrawn, the magistrates' court ordered the Applicant to pay Harrow's legal costs of bringing the prosecution. Mr K Anand explained the Applicant has not yet paid Harrow's costs, but is claiming this from leaseholders pursuant to clause 4(4) to make provision for these costs.

141. Mr Patel asked which provisions of the lease entitled the Applicant to recover these costs from leaseholders. The Applicant did not address this, and we cannot see any clause within the lease that allows the Applicant to recover a third party's legal costs for proceedings in which the Applicant faced prosecution.

142. Accordingly, in our judgment, these costs are not payable by the Respondents.

8% Interest on Sums Borrowed Pursuant to Clause 4(4)

The Tribunal's Decision

143. These costs are not payable, and the amount claimed is reduced to £0

Reasons for the Tribunal's Decision

144. According to the Scott schedule, the Applicant relied on clause 3(iv)(b) of the lease (see paragraph 91 above) to support the claim for interest. It also relied on paragraph 3(b) of the order dated 6th July 2021 made by the Leasehold Valuation Tribunal (the "LVT") when appointing a manager. The LVT's order stated the manager was entitled to borrow money to cover service charge expenditure and recover the associated costs of those loans through the service charges.

145. Mr K Anand reiterated this justification in his oral evidence. He added that because most leaseholders do not pay their service charges, the Applicant has insufficient funds to fulfil its obligations under the lease. Therefore, the interest claimed relates to the sums that he lends to the Applicant every year to fulfil its obligations. When asked for documents showing loan payments from him to the Applicant, Mr K Anand clarified that he doesn't pay the money over to the

Applicant. Instead he holds the funds to make provision to meet a shortfall of funds.

146. He also said explained the 8% interest rate reflects the county court rate, and is an appropriate rate for an unsecured loan. When asked by Mr Patel about how the terms of the loan were agreed, Mr K Anand responded that he did not discuss the terms with anyone because he lent the money to the company, and he is managing director of the company, so there was no one to discuss it with.

147. We conclude interest is not payable by the leaseholders for the following reasons. Firstly the LVT's order dealt with the management functions and authority of a manager appointed by the Tribunal. The Applicant was not appointed by the Tribunal, so there is no basis for it to rely on the LVT's order to claim interest. The second reason is that Mr K Anand's evidence is that he has not actually loaned any money to the Applicant, instead he has ring-fenced funds which he would lend to the Applicant if required. As a matter of common sense, we do not consider Mr K Anand can recover interest on sums that he has not actually lent. Finally, the Applicant is essentially seeking a payment on account of interest, and as previously stated, payments on account are limited to £30.00 per year, whereas the amount claimed here would be £142.86 per leaseholder.

Renting a Room for Safe Storage of CCTV & Entry System

The Tribunal's Decision

148. We find the amount claimed for renting a room is not reasonable. The sum claimed is reduced to £1,820.00 for the year ending 2020, to be increased according to the consumer price index for subsequent years.

Reasons for the Tribunal's Decision

149. Mr K Anand claimed that vandalism and trespassing justified the installation of CCTV, and this was not seriously contested. Mr K Anand also says the Applicant was advised to install a CCTV system that had monitors rather than a system that could be viewed remotely. In reality, the main issue was whether a secure cupboard would suffice to store the monitors, whether renting a room was genuinely necessary for storing monitors, and/or if the rented room was being used for other purposes.

150. The Applicant submitted a document titled "Room Rental Agreement" dated 2 January 2018, which identifies Mr Kamlesh Kumar Anand as the landlord and the Applicant company as the tenant. Invoices for rent payments were issued by Kamlesh K. Anand & Co. (and not issued by the owner, Mr K Anand) to the Applicant. We have been provided with some invoices dated 30 March, 30 June, and 28 September 2020, showing rent payments were made by KPLA, acting as the Applicant's agent. Receipts for these payments were signed by Mr K Anand in his capacity as the freehold owner of the warehouse.

151. The Respondent complains about these arrangements on a number of grounds. Firstly, he objects to paying rent for a space which he says he should have access to anyway, because clause 1(ii) of the lease grants access over common areas such as roadways and forecourts, which he says includes the former garage block. Mr Patel also referred to the 1970 planning permission granted by Harrow Council, which allowed for the construction of flats and garages, with a condition that the land be used exclusively for domestic purposes for the benefit of the flat occupiers. He cited paragraph 8 of the planning permission, which reinforced this restriction.

152. Additionally, Mr Patel claims that the room that leaseholders are being asked to pay for, is being used for other purposes, for instance to store equipment for the telecommunications masts. He relies on the inspection when he said this room had more than the CCTV monitors in it

153. According to the Applicant's oral and written evidence, the flats were sold without car parking spaces, and the garages remained under the Applicant's ownership. The Applicant also claimed that in 2010, the London Borough of Harrow authorised a change of use for the area now used as warehousing, from domestic to non-domestic use.

154. We agree with a point made by Mr P Anand that obtaining planning permission on condition that car parking is available, on its own, does not entitle the Respondents to car parking under their lease. We also agree with the Applicant that the lease does not provide for parking.

155. We consider it was reasonable to install CCTV, and on the advice the Applicant received, it was reasonable to install a system that used monitors. Furthermore, we consider it is reasonable to keep that equipment somewhere that is secure. However, we do not consider it is necessary to rent a room in order to do that. We consider renting a secure cupboard would be sufficient.

156. We saw evidence that the room was indeed being used for more than just CCTV storage. For instance, the room also contained a desk, chair, sink, and equipment, which the Respondent believes is associated with the telecommunications masts. Although CCTV monitors were present, there was no one monitoring them. While we accepted that installing CCTV with monitors was a reasonable security measure, and that the equipment should be stored securely, we did not find it necessary to rent an entire room, albeit a small one, for this purpose. We concluded that a secure cupboard would have sufficed which would cost less to rent. Therefore, we consider that a secure cupboard could have been rented for approximately £35 per week in 2020, which is the amount we consider is reasonable to recover as rent, with annual increases to reflect the consumer price index.

Unblocking Drainage

The Tribunal's Decision

157. Tribunal considers the cost of unblocking drains at £960.00 for the year ending 2022 is unreasonable, and reduce this to £675.00.

Reasons for the Tribunal's Decision

158. Mr K Anand's oral evidence was that the Applicant receives complaints from about blocked drains, and the costs being claimed reflect the amount paid to unblock the drains.

159. Mr Patel challenged this, and pointed to the absence of any written record of the complaints. However, Mr K Anand remained firm that these complaints had been received, and actioned, which is reflected in the costs being claimed for the drains being unblocked. As to the invoice dated 10th January 2021, relating to a visit on 26th January 2021, Mr Patel asked whether this was a false invoice because the visit postdates the invoice. Mr K Anand denied this, stating it was an error.

160. Mr Patel argued that the costs are unreasonable, particularly because the work is carried out by a general contractor who does not use any specialist equipment. He also argues that the invoices provided total £675 not the £920 being claimed.

161. Mr Patel raised a further point in connection with these charges. He put to Mr K Anand that by paragraph 1 of the first schedule of the TP1 recording the transfer of the garage block to Mr K Anand (see paragraph 17 above) it was agreed that drainage would *" … be maintained at the joint and equal expense of the persons entitled to use them."*

162. According to Mr Patel, this means that Mr K Anand personally, as the transferee, should jointly and equally share the cost of unblocking the drains with leaseholders. Mr K Anand denied this stating that there is no drainage on the land transferred to him.

163. It was put to the Respondent during cross examination that occupiers of the Property, as a top floor flat, may be unaware of blockages affecting properties on lower floors. The Respondent accepted that could be the case.

164. In deciding this issue we note that there was a sink in the rented room, which suggest that, contrary to Mr K Anand's evidence, there is drainage in this area. Nonetheless we find that it is reasonable to engage a general contractor to unblock drainage, and based on the evidence available, specialist equipment was not required. Repeated blocked drains are not unusual, particularly where multiple households share drainage, such as in a block of flats. We also consider

that flats on lower floors are more likely to be affected by blocked drains, which residents on higher floors may be unaware of. Finally, we do not consider the Respondents are entitled to enforce the terms of the TP1. As previously stated, it is the provisions in the lease that govern the service charge costs that may be claimed.

Determination on the Reasonableness of Service Charges for Year Ending 2020

Item	Total cost claimed	Amount Respondents propose	Tribunal's decision	Determination of Respondents' Proportion	Paragraph reference for Tribunal's reasons
Insurance	£2,913.26	£0	£0	£0	88 - 92
Electricity	£2,302.45	£982.16	£982.16	£70.15	93 - 98
Accountancy fee	£480.00	£250	£250	£17.86	99 – 105
Building repairs, maintenance & renewals	£1,210.00	Unclear	£1,210.00	£86.43	106 - 111
Cleaning & garden maintenance	£3,826.25	£0-£1,750	£1,750	£125	112-117
Managing agent's fee	£8,400.00	£1,400.00	£2,800	£200	118 - 138
Legal costs	£5,500.00	£0	£0	£0	139 - 142
Interest	£2,000.00	£0	£0	£0	143 - 147
Renting a room	£3,1200.00	£0	£1,820.00	£130	148 - 156

Determination on the Reasonableness of Service Charges for Year Ending 2021

Item	Total cost claimed	Amount Respondents propose	Tribunal's decision	Determination of Respondents' Proportion	Paragraph reference for Tribunal's reasons
Insurance	£2,792.66	£0	£0	£0	88 - 92
Electricity	£1,974.12	£580	£1,035.20	£73.94	93 - 98
Accountancy fee	£480.00	£250	£250	£17.86	99 - 105
Building repairs, maintenance & renewals	£550.00	£0	£550.00	£39.29	106 - 111
Cleaning & garden maintenance	£4,387.50	£0	£1,844.50	£131.75	112-117
Managing agent's fee	£9,555.00	£100	£2,951.20	£210.80	118 - 138
Interest	£2,000.00	£0	£0	£0	143 - 147
Renting a room	£3,640.00	£0	£1,918.28	£137.02	148 - 156

Determination on the Reasonableness of Service Charges for Year Ending 2022

Item	Cost claimed	Amount Respondents propose	Tribunal's decision	Determination of Respondents' Proportion	Paragraph reference for Tribunal's reasons
Insurance	£3,299.99	£0	£0	£0	88 - 92
Electricity	£2,687.43	£0	£1,143.90	£81.71	93 - 98
Unblocking drainage	£920.00	£0	£675	£48.21	157 - 164
Accountancy fee	£400.00	£250	£250	£17.86	99 - 105
Building repairs, maintenance & renewals	£440.00	£0	£440.00	£31.43	106 - 111
Cleaning & garden maintenance	£4,680.00	£0	£2,038.17	£145.58	112-117
Managing agent's fee	£10,140.00	£100	£3,261.02	£232.93	118 - 138
Interest	£2,000.00	£0	£0	£0	143 - 147
Renting a room	£4,160.00	£0	£2,119.70	£151.41	148 - 156

Concluding comments

165. Where the Respondent calculates invoices amount to a higher sum than is being claimed, we have based our determination on the lower amount claimed by the Applicant.

166. In addition to the unsatisfactory management of the Building, we noted conflicts of interests, in particular between the Applicant, KPLA, Mr K Anand, Mr P Anand and Mr A Anand relating to the dealings with the Building and the Estate. We note that the RICS Code advises that property managers should do their utmost to avoid conflicts of interests. We found the Applicant's record keeping to be poor, and the vast majority of the copious documents were documents typed by the Applicant and KLPA, with minimal third party documentation. At times Mr K Anand displayed a cavalier approach to his responsibilities, for instance suggesting that because the Respondents have not paid service charges he does not need to provide information regarding the insurance.

Costs

167. The Tribunal has issued separate Directions in relation to the costs application.

Name: Judge Tueje **Date:** **10th July 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).

APPENDIX

Extracts from the Landlord and Tenant Act 1985

18.— Meaning of "service charge" and "relevant costs"

(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—

(a) which is payable, directly or indirectly, for services, repairs, maintenance improvements or insurance or the landlord's costs of management, and

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

(2) The relevant costs are the costs or estimated 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.

19.- Limitation of service charges: reasonableness

(1) Relevant costs shall be taken into account in determining the amount of 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.

20.- Limitation of service charges: consultation requirements

(1) Where this section applies to any qualifying works or qualifying long term agreement, the relevant contributions of tenants are limited in accordance with subsection (6) or (7) (or both) unless the consultation requirements have been either—

(a) complied with in relation to the works or agreement, or

(b) dispensed with in relation to the works or agreement by (or on appeal from) the appropriate tribunal.

(2) In this section "relevant contribution", in relation to a tenant and any works or agreement, is the amount which he may be required under the terms of his lease to contribute (by the payment of service charges) to relevant costs incurred on carrying out the works or under the agreement.

(3) This section applies to qualifying works if relevant costs incurred on carrying out the works exceed an appropriate amount.

(4) The Secretary of State may by regulations provide that this section applies to a qualifying long term agreement—

(a) if relevant costs incurred under the agreement exceed an appropriate amount, or
(b) if relevant costs incurred under the agreement during a period prescribed by the regulations exceed an appropriate amount.

(5) An appropriate amount is an amount set by regulations made by the Secretary of State; and the regulations may make provision for either or both of the following to be an appropriate amount—

(a) an amount prescribed by, or determined in accordance with, the regulations, and
(b) an amount which results in the relevant contribution of any one or more tenants being an amount prescribed by, or determined in accordance with, the regulations.

(6) Where an appropriate amount is set by virtue of paragraph (a) of subsection (5), the amount of the relevant costs incurred on carrying out the works or under the agreement which may be taken into account in determining the relevant contributions of tenants is limited to the appropriate amount.

(7) Where an appropriate amount is set by virtue of paragraph (b) of that subsection, the amount of the relevant contribution of the tenant, or each of the tenants, whose relevant contribution would otherwise exceed the amount prescribed by, or determined in accordance with, the regulations is limited to the amount so prescribed or determined.

27A Liability to pay service charges: jurisdiction

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

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

Extracts from the Service Charges (Consultation Requirements) (England) Regulations 2003 – paragraph 4

(1) Section 20 shall apply to a qualifying long term agreement if relevant costs incurred under the agreement in any accounting period exceed an amount which results in the relevant contribution of any tenant, in respect of that period, being more than £100.

(2) In paragraph (1), "accounting period" means the period-

(a) beginning with the relevant date, and
(b) ending with the date that falls 12 months after the relevant date.