



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

Case Reference	: MAN/OOCG/LUS/2024/0002
Property	: Bramley Court, Ryegate Road, Sheffield S10 5FB
Applicant	: Bramley Estates RTM Company Limited
Representative	: Alan John Gillis and Nancy Crawford
Respondent	: Jean Louise Green
	:
Type of Application	: Application for the determination of the amount of any payment of accrued uncommitted service charges pursuant to S. 94(3) of Commonhold and Leasehold Reform Act 2002
Tribunal Members	: Tribunal Judge J. E. Oliver Tribunal Member S. A. Kendall
Date of Determination	: 22nd April 2025
Date of Reasons	: 13th May 2025

REASONS FOR DECISION

Reasons for Decision

Decision

1. The uncommitted service charges are £855.82.

Background

2. This is an application by Bramley Estates RTM Company Limited ((“BERTM”), pursuant to s.94(3) of the Commonhold and Leasehold Reform Act 2002 (“2002 Act”) for a determination of the amount of the payment of accrued uncommitted service charges due to the Applicant upon acquisition of the right to manage Bramley Grange (“the Property”) under s.94(1) of the 2002 Act.
3. The Applicant acquired the right to manage the Property on 18th December 2023.
4. The Landlord of the Property is Jean Louise Green. The Tribunal was provided with a copy of the Lease dated 25th July 1980 and made between Edward Green (1) Richard Edward Green (2). The Lease is for a term of two hundred years from 1st January 1971 and is for the land in Ryegate Road Sheffield “where eight flats and garages are erected or to be erected”. The Lease provides for the creation of the Bramley Court Residents Association and for each Lessee to be a member thereof.
5. The Applicant served the application upon the Landlord and a reply was received from her son, Richard Green. He stated the Landlord would not be taking part in the proceedings due to her age. Further, the Applicant had been formed to assume the management responsibilities for the Property and the Landlord had never had any involvement in it.
6. Until the Applicant acquired the right to manage the Property, it was managed by Trinity Estates.
7. There had been lengthy correspondence with Trinity Estates to resolve the issue of the uncommitted service charges that had been unsuccessful and had resulted in the current application.

The Law

8. Section 94 of the 2002 Act provides:

- (1) Where the right to manage premises is to be acquired by a RTM company, a person who is-
 - (a) landlord under the lease of the whole or any part of the premises,
 - (b) party to such a lease otherwise than as a landlord or a tenant,
 - (c) a manager appointed under Part 2 of the 1987 Act in relation to the premises, or any premises containing or contained in the premises,

must make to the company a payment equal to the amount of any accrued uncommitted service charge held by him on the acquisition date.

- (2) The amount of any accrued uncommitted service charges is the aggregate of
 - (a) any sums which have been paid to the person by way of service charges in respect of the premises, and
 - (b) any investments which represent such sums (and any income which has accrued on them), less so much (if any) of that amount is required to meet costs incurred before the acquisition date.
- (3) He or the RTM company may make an application to the appropriate tribunal to determine the amount of any payment which falls to be made under this section.
- (4) The duty imposed by this section must be complied with on the acquisition date or as soon after that date as reasonably practicable.

The Hearing

9. At the hearing the Applicant was represented by Alan Gillis and Nancy Crawford, directors of BERTM.
10. The directors explained they had been in correspondence with Trinity Estates since 11th September 2023 to advise of the RTM application and that the Applicant would be assuming the management of the Property from 18th December 2023. It wanted to ascertain the amount of committed service charges and arrears due. It received a statement called "Actual vs Budget 2023", statutory accounts for 2020, 2021 and 2022, the Interim Financial Reconciliation, Trial Balance, 2021 Income Reconciliation and a Final Financial Information Transfer. John Gillis stated they were inaccurate and there were significant exchanges over a period of months to try and resolve matters. One significant issue was an assertion by Trinity Estates the BERTM was responsible for paying unpaid invoices due after the acquisition date.
11. Alan Gillis advised BERTM had received an Estimate of Unallocated Service Charge ("the Estimate") from Alan Canning of Trinity Estates and it relied upon that to calculate the amount of the uncommitted service charges. BERTM considered this accurately reflected income and expenditure for the Property.
12. The Estimate showed actual costs v the budget for 2023. The actual costs totalled £8721.04 and the budget was £13411. This produced a balance of £4689.96.
13. The directors advised there were disputed costs within the actual costs, namely a charge for Buildings Insurance of £2700.14 and a charge of £1200 described as "Company Administration/Secretarial Fee".
14. The dispute relating to the Buildings Insurance was that at the acquisition date this insurance had been cancelled and a refund paid to Trinity Estates of £1690.12. This refund was not reflected in the expenditure figures that only

showed the gross insurance premium. It was argued therefore the cost of the insurance within the Expenditure should be £1009.88.

15. The charge of £1200 was challenged; it related to work to produce a tender document for the replacement of the soffits, fascias, gutters and to de-moss the roof. The anticipated cost of this was £20-£30k and was opposed by the tenants of the Property. The charge of £1200 was the involvement of Trinity Estates in the tendering process, but the directors questioned if that work had been done; they had not seen any tender document. Further, this should have been a cost included in their management fee.
16. BERTM agreed to pay for those invoices where work had been undertaken after the acquisition date, this being fair and reasonable and these were:

Cost of landscaping	£360.00
Window Cleaning	£270.00
Fire Safety Assessment	£180.00

17. BERTM submitted the amount of uncommitted service charge was £6770.08 as follows:

Unallocated Service charges per Estimate	£4689.96
<u>Less</u>	
Company Admin Fee	£1200.00
Landscaping, Windows Fire Safety Assessment	£810.00
<u>Plus</u>	
Refund from Block Insurance	£1690.12
	<u>£6770.08</u>

18. Trinity Estates suggested different amounts during the protracted correspondence with BERTM, but the final figure was that there was a deficit of uncommitted service charges of £2766.77 due from BERTM and that it was also responsible for supplier invoices prior to the acquisition date.

Determination

19. The Tribunal agreed with the directors of BERTM the information provided by Trinity Estates when calculating the uncommitted service charge was unclear; the accounts appeared to include references to other properties. It noted the information provided on the Estimate, from which BERTM had made their calculations, was supported by additional statements provided to BERTM and upon which the Tribunal considered it reasonable to rely.
20. The Tribunal accepted the calculation of uncommitted service charge of £6770.08, as referred to above, but noted this did not include the arrears of

service charges, at the acquisition date, in the sum of £5912.26. This sum formed part of the statement upon which BERTM had relied.

21. The Tribunal noted these monies would now be collected by BERTM and the unallocated service charge due from Trinity Estates was £855.82, this being the balancing sum of the £6770.08 due.