



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

Case Reference	:	HAV/29UE/LSC/2025/0632
Property	:	Chalets 16, 24, 41, 67, 68, 81, 86, 89, 96,109, 110,137 Kingsdown Park Holiday Village (“KP”) Upper Street Kingsdown Deal Kent CT14 8EU
Applicant	:	Stephen Wornell, Glynis Deirdre Wornell and Others
Representative	:	None
Respondent	:	Shearbarn Holiday Park Limited (“SHPL”)
Representative	:	Mr J Boutcha of Thrings solicitors and Ms R Cattermole as Counsel from 39 Essex Chambers
Type of Application	:	To determine the reasonableness of various service charges Section 27A Landlord and Tenant Act 1985 and an application for an order limiting payment of landlord’s costs Section 20C Landlord and Tenant Act 1985 (“the Act”)
Tribunal Members	:	Mr I R Perry FRICS Mr M J Ayres FRICS Mr M J Jenkinson
Date of Hearing	:	13th August 2025
Date of Decision	:	13th August 2025

DECISION

Summary of Decision

The Tribunal determines that the service charges for 2022 and 2023 and the provisional charges for 2024 and 2025 are reasonably charged and are payable by the Applicants.

The Section 20C application to limit Landlords costs is refused.

Background

1. The first Applicants have applied for a determination of liability to pay and reasonableness of service charges in respect of their two properties, chalets 67 & 68, Kingsdown Park Holiday Village (“KP”) for the years 2022, 2023, 2024 & 2025.
2. The application was dated 11 March 2025.
3. The Applicant further seeks an order pursuant to Section 20C of the Landlord and Tenant Act 1985.
4. The owners of chalets 16, 24, 81, 86, 89, 96, 109, 110 and 137 were later joined to the Application and authorised Mr Wornell as their representative in these proceedings.
5. The Tribunal approves each of those requests and joins the owners of those chalets to these proceedings.
6. KP covers approximately 17.5 acres and comprises 149 chalets, swimming pool and other facilities. The chalets are said to be “A” shaped timber framed semi-detached holiday homes in a Scandinavian style.
7. The Kingsdown Park Chalet Owners’ Association (“KPCOA”) is said to act as a recognised tenants’ association.
8. On 27th May 2025 the Tribunal issued Directions, and a hearing was arranged for Wednesday 13th August 2025. Neither party provided a skeleton argument.
9. The Parties failed to agree a joint bundle as directed. The Applicants submitted an electronic bundle of 351 pages, and the Respondent submitted a bundle of 114 pages comprising documents which may be referred to. References to documents in these bundles will be referenced in square brackets [AB...] and [RB...].
10. References are made to Kingsdown Holiday Park Village (“KP”), General Manager (“GM”), Park Manager (“PM”), Park Owner (“PO”) and another site owned by the Respondent, Shearburn Holiday Park (“SHP”).
11. The Applicants bundle includes the Respondent’s statement of case [AB75-91] and the Applicants response to that statement [AB 92-102].
12. These reasons address the key issues raised by the parties. They do not recite each and every minor point referred to, either in submissions or during the Hearing. However, this does not imply that any points raised, or documents not

specifically mentioned were disregarded. If a point or document was referred to in the evidence or submissions that was relevant to a specific issue, then it was considered by the Tribunal. The Tribunal concentrates on those issues which, in its opinion, are fundamental to the application.

The Law

Section 27A Liability to pay service charges: Jurisdiction

1. (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—
2. (a) the person by whom it is payable,
3. (b) the person to whom it is payable,
4. (c) the amount which is payable,
5. (d) the date at or by which it is payable, and
6. (e) the manner in which it is payable.
7. (2) Subsection (1) applies whether or not any payment has been made.
8. (3) An application may also be made to a leasehold valuation tribunal [amended to include the First-tier Tribunal] for a determination whether, if costs were incurred for services, repairs, maintenance, improvements, insurance or management of any specified description, a service charge would be payable for the costs and, if it would, as to—
9. (a) the person by whom it would be payable,
10. (b) the person to whom it would be payable,
11. (c) the amount which would be payable,
12. (d) the date at or by which it would be payable, and
13. (e) the manner in which it would be payable.

Section 20C Limitation of service charges: Cost of proceedings provides that a tenant may make an application for an order that all or any of the costs incurred, or to be incurred, by the landlord in connection before a court [residential property tribunal or leasehold valuation tribunal [or the First-tier tribunal, or the Upper Tribunal] or in connection with arbitration proceedings, are not to be regarded as relevant costs to be taken into account in determining the amount of any service charge payable by the tenant or any other person or persons specified in the application.

Hearing Representations and Consideration

14. The Hearing commenced as arranged at 10.00 am on Wednesday 13th August 2025. Mr Wornell represented himself and the other joined parties, Ms Cattermole represented the Respondent. Ms Cattermole explained that the sole director of the Respondent “is very unwell” and the PM is on sick leave so she would not be calling any witnesses.
15. Mr Wornell confirmed that he would not be calling any witnesses.

16. The Applicants' claims were set out clearly [AB14] which, as agreed with the Parties, was used as the agenda for the Hearing with representations on each issue taken from both parties in turn.
17. At [AB16] Mr Wornell referred to the Court of Appeal case of *Hounslow London Borough Council v Waaler [2017]* which stated that "reasonably incurred" has to be determined by reference to the objective standard or reasonableness, not to the lower standard of rationality.
18. The Applicants contend that some costs in 2022 and 2023 may not have been reasonably incurred. They claim that the onus is on the Respondent to provide evidence to justify these costs as being essential to the provision of the KP services.
19. Where satisfactory evidence is not provided, they ask the First-tier Tribunal to determine the amount payable for the services in question.
20. The Respondent [AB79] explains how the Service Charges are incurred each year (and demanded quarterly) with an estimate based on the service charge accounts for the preceding year. The Respondent aims to agree the service charge accounts for the preceding year (and on which the estimates are based) with KPOCA to minimise any litigation.
21. The Respondent avers that the 2021, 2022 and 2023 service charge accounts were agreed between the Respondent and KPOCA and that the estimates for 2024 and 2025 were based on the previous two preceding years namely 2022 and 2023.
22. The Respondent avers that Section 19 of the Act does not place on the Tribunal an onus to investigate the issue of reasonableness, it is for the Leaseholder to put forward evidence that a charge is unreasonable. The Respondent also avers that the Lease does not require the Landlord to prepare a budget nor to agree a budget with the Leaseholder.

Park Management Costs [AB17]

23. Management Expenses (the "expenses") are defined in the Lease as "The cost of providing and maintaining the Management Services ("the services").
24. Within the sample lease provided, for chalet 67 [AB35], the provisions relating to the Management Fee are set out in the Fourth Schedule [AB48]. The Management Fee payable to the Respondent comprises the Management Expenses as incurred in accordance with the lease plus a 15% management charge ("MC") plus Value Added Tax thereon.
25. Mr Wornell asserts that a Judge ruled in 1992 that it was unreasonable to profit from the PM wage cost ("the cost") as the company's on-site representative.
26. The Respondent currently operates a management structure which includes a PM on site who reports to a GM whose time is divided between KP and SHP on a 45%/55% split.

27. Mr Wornell sets out the history of the management of the site and argues that the current split of the GM costs is unfair to KP.
28. Ms Cattermole asked the Tribunal to consider that the ownership structure of SHP is completely different to KP, it being Freehold as opposed to Leasehold, and that the Lease is clear that a 15% charge should be applied to actual costs when calculating the Management Fee.
29. The Respondent sets out the management structure [AB81] and argues that the management costs are reasonable.
30. Mr Wornell argued that the division of the GM's time was unduly weighted in favour of SHP, that the Respondent benefitted unduly from this as the 15% uplift was therefore increased and that the 15% uplift to costs does not incentivise the PO to operate a lean business model as the more they spend, the more they receive.
31. No information regarding the financial workings of SHP was provided.
32. Mr Wornell suggested that the management function could be provided by a single PM and that whilst a more complex management structure might suit the Respondent, to be reasonably incurred any additional cost requires evidence of a corresponding benefit in service provision.
33. Mr Wornell conceded that the management of KP is satisfactory.
34. Ms Cattermole referred to Part III of the Lease [AB51] which details how the cost of providing the Management Services is calculated which includes "A management charge equal to 15% of the aggregate cost incurred by or on behalf of the Lessor or the Management Company under paragraphs 1, 2, 3, 4, 5, and 6 of this part of the Fourth Schedule plus Value Added Tax thereon.
35. Ms Cattermole argued that it is for the Tribunal to decide whether the costs of one full time PM and 45% of a GM were reasonably chargeable. She emphasised that the business models at KP and SHP are different and that KP is a substantial site of some 17.5 acres with 149 chalet units and ancillary facilities including a swimming pool, tennis court and laundry.
36. The Tribunal considered the matter in the whole, in that the cost of providing management was £51,548 in 2022 rising to £55,614 in the 2025. The Tribunal considered there are considerable advantages in having a GM support for a PM including cover during holidays or sickness and determined that the level of cost for effective management of a site of this size is reasonable.
37. This element of the service charge is reasonable and payable.

Lifeguard Wage Costs [AB18]

38. The Lease permits the lessees and their authorised guests to access the pool, and the expenses are recoverable as part of the Management Services.

39. KP is open for 47 weeks in any one year. Management of the pool is provided by a full-time supervisor, assisted by a staff team including lifeguards to provide cover for 8 hours a day (9 hours in July and August) for 7 days each week.
40. Lifeguard costs had risen from £63,936 in 2022 to £80,654 in 2023 and were estimated at £63,654 for 2024 and £80,396 for 2025.
41. Mr Wornell had analysed the costs of providing lifeguards based on an increase in the specific cost of lifeguards which had risen by 47% in 2023 and sought to argue that the costs of providing lifeguards could be reduced by reducing the number on of guards on duty at any given time and moving in-water training to be done in normal opening hours rather than when the pool is closed and thereby further reduce costs.
42. The Respondent had stated that training is done, and needs to be done, when necessary. Training is done when the pool is closed so that it does not interfere with users nor interfere with the lifeguards performing their duty to bathers. They had lost several staff due to competitors paying higher wages, that wages had increased as a result of increases to the minimum wage, and that management needs to factor a margin of extra cover for holidays, sickness or increased demand on any given day. Lifeguards also have reception duties.
43. The Respondent also states that a high number of bathers requested swimming lessons in the Easter and Summer seasons and more than 2 lifeguards are required in any one day due to the opening hours, cover being needed for breaks etc.
44. The Tribunal was not convinced that the number of lifeguards on duty could be safely reduced, did not consider that the cost of providing lifeguards was excessive and considered this such an important issue which has to be managed on a day-to-day basis depending on the number of bathers.
45. The Applicants have not shown that the costs are unreasonable, the Tribunal therefore determines that the costs are reasonable and payable.

Security Guards [AB19]

46. The PO employs security guards to monitor and act as a deterrent to any anti-social behaviour on site.
47. The cost of security guards has risen from £6,981 in 2022 to £10,479 in 2023. The estimate for 2024 is £6,981 and for 2025 is £10,479.
48. The Applicant suggests that security guards need only be provided during summer school holidays and that the PO should do more to require chalet owners who let out their property to reference/vet their potential tenants. as set out in their leases.
49. The Respondent confirms that leaseholders were reminded of their responsibilities in a newsletter penned by Kelly Henderson [AB86].
50. Ms Cattermole confirmed that there have been issues of anti-social behaviour from time to time, that security guards are needed to deal with any such

behaviour and that the combination of CCTV and security guards on site is an effective deterrent.

51. The Tribunal considered that it was reasonable for the PO to spend relatively modest sums of money to protect the site and occupants and was not convinced by the Applicants that reducing the number of guards to school holidays only was a guarantee of good behaviour. The cost is reasonable and payable.

CCTV contracts [AB19]

52. A contract for CCTV was agreed in 2022 with Sirius CCTV for installation and ongoing service of the system. This system failed in December 2023, and Sirius would not attend to restore or repair it.
53. Active Security were employed to repair the system and were then contracted to provide ongoing support. Mr Wornell thought that this cost of £530 “was quite cheap” but now seeks to have the Sirius cost taken out of the Management Charge as the service provided was not of a reasonable standard. Equipment supplied by Sirius was repaired by Active.
54. The cost of the CCTV was £745 in 2022, £811 in 2023, £745 in 2004 and £811 in 2025 divided between the 147 chalets, equating to £5.07 to £5.52 per chalet per annum.
55. Ms Cattermole argued that the Respondent acted reasonably in arranging for the CCTV with an appropriate company and when necessary, promptly found a replacement company to carry out repairs and subsequently to service the equipment when necessary.
56. The Tribunal regards this to be a matter of de minimis but in any case, considered that the PO acted reasonably, and the charge is therefore reasonable and payable.

Tractor Motor Fuel [AB20]

57. The Applicant had analysed the amount of diesel fuel within the accounts which is used to cut the grass. The cost was £1,174 in 2022, £1,824 in 2023 and is estimated at £1,174 in 2024 and £1,824 in 2025. This equates to £7.88 per chalet in 2022 and 2025 rising to £12.24 per annum per chalet in 2024.
58. The tractor-mower records the number of hours in use rather than distance travelled. There was uncertainty as to whether it reverted to zero after a set number of hours. Mr Wornell had analysed the amount of diesel purchased, divided by number of hours of recorded use over a 5-year period, allocated what he considers to be a reasonable use of diesel per hour and calculates that the reasonable amount payable for fuel should be £436.10 in 2022 rising to £544 in 2025. That is £2.93 per chalet in 2023 rising to £3.65 per chalet in 2025.
59. This would provide a saving of £4.95 per chalet per annum in 2023 rising to £8.59 per chalet per annum in 2024.
60. The inference from Mr Wornell is that diesel paid for by KP is being used elsewhere.

61. The Respondent states that the 2020 costs relate to a period when the grass was cut by an employee named Karl who failed to cut the grass as frequently as he should have done. Following complaints from some leaseholders the frequency of the cutting was increased.
62. Ms Cattermole argues that the hours logged on the mowing machine may not be completely reliable as the amount of grass cutting has increased due to Tenants' requests and the price of diesel has increased and is variable. In addition 'red diesel' is no longer available for this use.
63. The Tribunal noted anomalies in the number of hours reported against each machine from their service invoices [AB344-351] and that diesel is purchased through petty cash.
64. The Tribunal regards this to be a matter of de minimis but in any case, the Applicant has not shown that diesel costs had been fraudulently included or that the Respondent has acted unreasonably.
65. The suggested method of assessing the charge provided is insufficiently certain for the Tribunal to rely upon it so the Tribunal does not consider that the charge in the accounts is unreasonable and determines that it is payable.

Telephone and Internet [AB21]

66. Switch Utilities provided telephone data and broadband to reception, office building, swimming pool and lounge until February 2022.
67. In March 2022 the Respondent instructed Kent IT to arrange for a host full-fibre cable to be installed by Open Reach. The Respondent stated that this was reserved to supply up to 150 chalets with broadband suitable to run 6 devices in each chalet.
68. The PO has retained the separate Switch system which services what may be regarded as its business use.
69. The Applicant suggests that this is unnecessary but neither party had sufficient expertise to argue why this was a good or bad course of action.
70. The Respondent avers that the costs are reasonably incurred.
71. The Tribunal finds that the Applicant has not proven his case that this is not a prudent way for the Respondent to continue and therefore does not determine that this is unreasonable. The charge is therefore payable.

Accounting and Bookkeeping [AB21]

72. The Applicant states that there is an accrual for accounting in the sum of £3,695 that was included in the 2022 accounts and is shown as an actual cost for that year.
73. The cost applied in 2023 was £3,400, £3,695 in 2024 and £3,400 in 2025.

74. Mr Wornell states that the Respondent retained the accrual to allow for 2 audit bills in 2023 because the 2021 audit was still outstanding at the end of 2022. The accrual was then brought forward to 2023, and the audit bills for 2021 and 2022 were withdrawn because they were not completed by the 30th June deadline the following year.
75. Mr Wornell asserts that, as only the 2023 audit bill will be charged in 2024, there is no requirement to retain an amount to allow for 2 audit bills within the same financial year.
76. The Respondent states that the accrual of £6,870 in 2022 was an estimate for the expected cost in 2022 and in addition in 2022 the actual fee for 2021 was incurred, that the invoices described as bills were not withdrawn, the estimated fee of £3,100 was allocated to 2022 and the balance of £3,770 was allocated to the 2021 service charge. The £3,400 accrual is an estimate for the 2023 accountancy fees.
77. The Applicant has not established his case that the accountancy charges are unreasonable. The Tribunal confirms therefore that they are reasonable and payable.

Gas supply for heating Swimming Pool and for Laundry [AB22]

78. Gas was supplied at 20p per unit in 2022 by Pozitive Energy and 19p per unit in 2023 by EDF.
79. Mr Wornell states that the GM has been supplied with an EDF fixed price contract from 13th November 2024 at 7.2p per unit. Mr Wornell stated he had been trying to get to see the new contract for assurance that gas for the next 3 years will not be charged at more than 7.2p per unit with a standing charge of 56p per day, but had been unable to do so.
80. Accordingly, he disputes the estimated charge for 2025 in the sum of £22,085.
81. The Respondent states that the estimate for 2025 is based on the 2023 accounts as agreed with KPOCA, that it has used a broker to choose a supplier and has placed a contract with British Gas Lite.
82. The Tribunal cannot compel the Respondent to sign any contract or to use any particular supplier and, in any case, there may be issues outside of its present knowledge. There is no guarantee as to the amount of heating required in any one year.
83. The Tribunal would caution Mr Wordell as to the wisdom of trying to negotiate contracts on behalf of the Respondent which may interfere with their legitimate business aims and processes.
84. The Tribunal determines that the sum of £22,085 for gas in 2025 is reasonable and is payable.

Bookkeeping Issues [A23]

85. The Applicant confirmed that invoices JJM Locksmith, Besure and Castle/Bus Sys are no longer an issue. The Respondent has confirmed these items will be credited back to the service account.
86. Mr Wornell disputes 50% of the invoice from R&R training as he believed that A Kelly left the company before 6 months had elapsed which would have allowed the Respondent to reclaim the cost of training from A Kelly in accordance with their contract of employment. Ms Cattermole informed the Tribunal that A Kelly had left after 6 months so this could not be reclaimed. There was no further evidence to prove either case.
87. Accordingly, the Tribunal determines this element of the service charge to be reasonable.
88. Four invoices from Tuckwells within 2023 are in dispute. These relate to servicing vehicles. Mr Wornell states that these are all at SHP and not KP.
89. Invoice 30861 for £416.67 plus VAT is dated 26th April 2023 and relates to vehicle serial number ending 10038. The hours logged is 605. The job is shown as Shearbarn which might be SHP or the owner SHPL.
90. Invoice 31123 for £520.04 plus VAT is dated 5th May 2023 is for vehicle number ending 15826. The hours logged is 1836. The job is shown as Shearbarn. The Respondent states that this is the gator truck only used at KP.
91. Invoice 31324 for £1,348.15 plus VAT is dated 19th May 2023 and hours given as 1. This is also vehicle serial number ending 10038. The job is shown as Shearbarn.
92. Invoice 32479 for £293.24 plus VAT is dated 10th July 2023. Hours recorded are 1909 and vehicle number ending 10406. The job is shown as Shearbarn but the Respondent states that this is the gator truck only used at KP.
93. Invoices 30861 and 31124 relate to the same vehicle.
94. A further invoice 21860 [A344] relates to vehicle number ending 10036 shows the hours on 26th October 2021 as 521. The job venue is shown as Kingsdown.
95. So, vehicle serial number ending 10038 is shown as 605 hours on 26th April 2023 and is then shown as 1 hour on 19th May 2023. This suggests that incorrect logs are being recorded or that the clock on the machine clicks over at 999 or that the clock may be defective.
96. In the Tribunals experience invoices of this nature to a client operating more than one cost centre are often incorrectly allocated by the supplier. The Tribunal has not been given any proof identifying which vehicle has been serviced and whether it is in use at KP. The Tribunal is not sufficiently convinced that this cost is unreasonable and determines that it is reasonable and payable.

Verification of work done, use of location of supplies required [AB90]

97. The Applicant lists 14 invoices for building materials which are included in the 2023 service charge account for which he has requested details of where the material was used. This includes a question about where brushes and masking tape were used, in the sum of £71.86 and where was a soil pipe costing £28.80 used.
98. The Respondent avers that the items listed are simply a series of questions rather than setting a case of challenge under Section 27A . The Respondent avers that these were costs recoverable under Parts I and II of the Fourth Schedule of the Lease, “the Management Expenses” and not to specific demised premises.
99. Ms Cattermole suggests that the request from the Applicants in these questions are merely a phishing exercise rather than an objective request for relevant information.
100. The Respondent states [AB90] that for the avoidance of doubt Mr Wornell has been provided with the invoices which form part of the service charge accounts.

Determinations

101. Whilst understanding the Applicants curiosity to examine and understand the service charge accounts in the finest detail, and the challenges made, the Tribunal does not consider that any charges have been shown to be unreasonably charged.
102. The Tribunal therefore determines that the service charges for 2022 and 2023 are reasonably charged, that the estimated charges for 2024 and 2025 are also reasonable and all are payable as per the relevant clauses in the lease.
103. The Applicants have requested an order that the Landlords’ costs relating to this case should not be reclaimable by the Landlord as per Section 20C of the Act.
104. Having found that none of the charges are unreasonable and they are therefore reasonably incurred the Tribunal declines to make such an order. The costs of this case are recoverable as part of the service charge.

RIGHTS OF APPEAL

1. A person wishing to appeal this decision to the Upper Tribunal (Lands Chamber) must seek permission to do so by making written application to the First-tier Tribunal at the Regional office which has been dealing with the case. Where possible you should send your application for permission to appeal by email to rpsouthern@justice.gov.uk as this will enable the First-tier Tribunal Regional office to deal with it more efficiently.
2. The application must arrive at the Tribunal within 28 days after the Tribunal sends to the person making the application written reasons for the decision.

3. If the person wishing to appeal does not comply with the 28-day time limit, the person shall include with the application for permission to appeal a request for an extension of time and the reason for not complying with the 28-day time limit; the Tribunal will then decide whether to extend time or not to allow the application for permission to appeal to proceed.
4. The application for permission to appeal must identify the decision of the Tribunal to which it relates, state the grounds of appeal, and state the result the party making the application is seeking.