



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

Case Reference : **MAN/OOEY/LSC/2024/0242**

Property : **Flat N, The Chimes, 1a Forest Gate, Blackpool,
FY3 9AR**

Applicant : **The Chimes (Blackpool) Limited**

Representative : **Michael White**

Respondent : **Keigan Parker**

Type of Application : **S27A of the Landlord and Tenant Act 1985**

Tribunal Members : **Judge P. Forster
Mr Kenneth Kasambara**

Date of Hearing : **26 August 2025**

DECISION

Decision

- (1) The charges to 30 June 2021 are not payable by the Respondent.
- (2) The charges due on 1 July 2021, 1 January 2023, 1 January 2024 and 1 January 2025 are payable in full by the Respondent to the Applicant as follows:

01/07/21	£1,070.00
01/01/23	£1,123.00
01/01/24	£1,253.00
01/01/25	£1,310.00
	<u>£4,756.00</u>

- (3) Interest is payable by the Respondent on outstanding service charges at 4% above the base rate of Yorkshire Bank plc from time to time.

Reasons

Introduction

1. This is an application under s27A of the landlord and Tenant Act 1985 ('the 1985 Act') for the Tribunal to determine the payability and reasonableness of services charges in respect of Flat N, The Chimes, 1a Forest Gate, Blackpool, FY3 9AR ('the Property') in respect of the periods ending 30/06/19; 30/06/20; 30/06/21, the 18-month period ended 31/12/22 and the years ended 31/12/23; 31/12/24 and 31/12/25.
2. The Property is one of fifteen flats in a three-storey purpose-built residential block constructed in about 2000; all let on long leases.
3. The Applicant is The Chimes (Blackpool) Limited. By a lease dated 1 January 2004 made between the Applicant, as Underlessor, and Newfield Construction Limited, as Owner, the development known as The Chimes, 1a Forest Gate, Blackpool, FY3 9AR ('the Development') was demised to the Applicant for a term of 999 years from 1 January 2004.
4. The Respondent is Keigan Parker. As successor in title, he holds the Property as the Underlessee under an Underlease dated 12 July 2004 ('the Underlease') made between the Applicant and Nikki Greco for a term of 999 years from 1 January 2004.

5. The Tribunal issued Directions on 2 June 2025 pursuant to which the Applicant submitted a statement of case and supporting documents. The Respondent failed to comply with the Directions and did not attend the hearing.
6. The Tribunal did not inspect the Property. The hearing was held by video on 26 August 2025. The Applicant was represented by its managing agent, Michael White.

The Applicant's case

7. The Applicant's position is set out in its statement of case submitted by the managing agent, Mr White.
8. Formerly, the long leaseholders, including the Respondent, were charged a fixed amount of £600 by way of an annual charge. Deviating from the terms of the Underlease, these charges were levied from 1 July to 30 June each year. This obviated the need for prior cost estimates or invoices to be issued. This method of charging was replaced by a variable service charge payable in advance after cost estimates for the forthcoming year had been issued. This conformed to the terms of the lease. The change extended the 2021/22 service charge year to 31 December 2022. Cost estimates for were issued to all the long leaseholders together with a demand for payment.
9. The Respondent built up service charge arrears which prompted the issue of the present proceedings.
10. In addition to the outstanding service charges, the Applicant claims interest under the terms of the Underlease.

The Respondent's case

11. The Respondent has not engaged with the proceedings and has not provided a statement of case, nor any documents nor did he attend the hearing.

The Law

12. S.18 of the 1985 Act defines the concept 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 estimate costs incurred or to be incurred by or on behalf of the landlord, or a superior landlord, in connection with matters for which the service charge is payable.”
13. S.19 of the 1985 Act gives this Tribunal the jurisdiction to determine the reasonableness of any service charge:
- “(1) Relevant costs shall be taken into account in determining the amount of a 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.”
14. The application also requires the Tribunal to consider s. 27A of the 1985 Act in respect of the service charge items in dispute. S. 27A(1) provides:
- “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.”
15. The Tribunal notes the following passage from the judgment of Martin Rodger KC in *Enterprise Home Developments LLP v Adam* [2020] UKUT 151 (LC) at [28]: “Much has changed since the Court of Appeal’s decision in *Yorkbrook v Batten* but one important principle remains applicable, namely that it is for the party disputing the reasonableness of sums claimed to establish a prima facie case.”

Reasons for the decision

16. Under clause 2 of the Underlease, the Underlessee (in the present case the Respondent) covenants to pay a ground rent to the Owner ‘by equal yearly payments in advance on the First day of January in every year the first payments (or a proportionate part thereof) to the Thirty First day of December next following ...AND ALSO Paying to the Underlessor on the date hereof ...to pay the cost to the Underlessor (the Applicant) during each such year of complying with the Underlessors covenants contained in Part II of the Fourth Schedule hereto...’.

17. Under the terms of the Underlease the Respondent is liable to pay to the Applicant the service charge in advance on 1 January each year. This has not been disputed by the Respondent
18. The Respondent has not sought to challenge the reasonableness of the costs that have been charged.

Charges

19. The Underlease provides for charges to be payable in advance from 1 January to 31 December each year. Until 2021, an annual fixed charge of £600 was raised in arrears to 30 June each year. This was changed to extend the period by 18 months to 31 December 2022. Thereafter, complying with the terms of the Underlease, charges were raised from 1 January 2023 to 31 December 2023 in each successive year.
20. Under s20b of the 1985 Act leaseholders are protected from being asked to pay towards costs incurred more than 18 months ago. Usually, the lease will provide for the service charge to be demanded in advance, but occasions will arise when the demands are issued after completion of the works or provision of the service. In these cases, a statutory time limit applies: the landlord must issue the demand within 18 months of incurring the cost. If the demand is provided later than this, the landlord cannot recover the costs at all, unless a notice is served during the 18 months stating that costs have been incurred and that the tenant will be required to contribute to them by payment of a service charge.
21. As stated in Gilje v. Charlgrove Securities Ltd. [2004] 1 All ER 91, the policy behind s20B is that the tenant should not be faced with a bill for expenditure, of which they were not sufficiently warned to set aside provision. It is not directed at preventing the lessor from recovering any expenditure on matters, and to the extent, of which there was adequate prior notice.
22. The Applicant accepts that before 30 June 2021 no notice was served on the Respondent that costs had been incurred or that he would be required to contribute to them. It is not certain how the Respondent and the other leaseholders were asked to pay £600.00 each year. Mr White, on behalf of the Applicant, conceded that some leaseholders paid and some did not.
23. Charges made before 30 June 2021 are not payable by the Respondent.
24. This informal and entirely unsatisfactory arrangement ended on 30 June 2021. Subsequently, the Respondent and the other leaseholders have been provided

with cost estimates to support formal demands made for payment due on the 30 June 2021 and on 1 January 2023 and in the following years.

25. Charges due on 1 July 2021, 1 January 2023 and in subsequent years are payable by the Respondent.

Interest

26. The Applicant claims interest in respect of the unpaid service charges. Under clause 3(1) of the Underlease, interest is payable on charges outstanding on 31 January in any year at 4% above the base rate of Yorkshire Bank plc from time to time payable shall be paid from 31 December of the previous year being the due date of payment until the date such sums are paid.
27. The Respondent is liable to pay interest on outstanding service charges at 4% above the base rate of Yorkshire Bank plc from time to time. The Tribunal has not calculated the amount of interest due from the Respondent and leaves the Applicant to do this in accordance with the terms of the Underlease.

Judge P Forster
Dated 26 August 2025

Right of Appeal

A person wishing to appeal this decision to the Upper Tribunals (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.

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.

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 allow the application for permission to appeal to proceed.

The application for permission to appeal must identify the decision of the Tribunal to which it relates, state the grounds of appeal, and state what result the party making the application is seeking.