FIRST-TIER TRIBUNAL
PROPERTY CHAMBER
(RESIDENTIAL PROPERTY)

Case reference	**:**	**LON/00AE/LSC/2024/0691**
Property	**:**	**39B Linacre Road, London NW2 5AY**
Applicant	**:**	**Mrs Narindra Sharma (Landlord)**
Representative	**:**	**In person,** assisted by Ms Chiara Russo (employee/assistant to Mrs Sharma in the latter's capacity as director of London Land Securities Limited and Managing Agent of the property)
Respondent	**:**	**Mr Ramji Bechar Kerai**
Representative	**:**	**Mr Jay Patel (counsel)**
Type of application	**:**	**For the determination of the liability to pay service charges under section 27A of the Landlord and Tenant Act 1985**
Tribunal members	**:**	**Judge Nikki Carr** **Mr John Naylor FRICS**
Venue	**:**	**10 Alfred Place, London WC1E 7LR**
Date of decision	**:**	**8 September 2025**

DECISION AND REASONS

Decisions of the Tribunal

(1) The following sums are reasonable and payable by the Respondent in respect of the management fee in the respective periods for the following years:

In each of 2016-17, 2017-18, 2018-19	£300 plus VAT
In each of 2019-20, 2020-21, 2021-22, 2022-23	£350 plus VAT
In 2023-24	£400 plus VAT
	£ 3,240.00

(2) The following sums are reasonable and payable by the leaseholders in respect of the section 20 Landlord and Tenant Act 1985 consultations in the following years:

For the internal redecorations charged in the years 2017-18 and 2018-19	£300 plus VAT plus 10% of the works sum (0.1 x £2,880)	£648.00
For the external works charged in the years 2022-23 and 2023 – 24	£350 plus VAT plus 10% of the works sum (0.1 (cost of works £x £8,800)	£1,300.00
	Total:	£1,948.00
Payable by Respondent:		**£ 487.00**

(3) The Tribunal makes an order under section 20C of the Landlord and Tenant Act 1985, that none of the Landlord's costs of the Tribunal proceedings may be passed to the lessees through the service charge.

(4) The Applicant is not entitled to recover any costs of these proceedings as an administration charge, pursuant to paragraph 5A of schedule 11 of the Commonhold and Leasehold Reform Act 2002.

Background

1. By her application dated 11 October 2024, the Applicant (in her position as the Freeholder/Landlord) seeks a determination pursuant to s.27A of the Landlord and Tenant Act 1985 ('the Act') as to the amount of service payable by the Respondent in respect of eight service charge years 2016-17, 2017-18, 2018-19, 2019-20, 2020-21, 2021- 22, 2022-23, and 2023-24.

2. The hearing on 11 August 2025 was attended by Mrs Narindra Sharma, in her capacity both as Applicant Landlord, and as Managing Agent (under the name London Land Securities Limited ('LLSL'), of which she

is also the Director and, with her husband, co-shareholder). Mrs Sharma confirmed that she is not a member of RICS in any capacity.

3. She was accompanied by Ms Chiara Russo to assist her, who was said by Mrs Sharma to be an employee of LLSL and to be a RICS associate and member of IRPM (though that organisation is now called the TPI). Mrs Sharma told us her husband and son are also part of LLSL (her husband is named as company secretary). She said they are both surveyors. Those four individuals make up the total complement at LLSL

4. Mr Jay Patel of counsel appeared for the Respondent, Mr Ramji Bechar Kerai. Mr Kerai had notified him on the morning of the hearing that he was unavoidably detained due to a pressing business engagement and so did not attend. It is unclear who the solicitors instructing Mr Patel were, or whether he was in fact instructed direct by Mr Kerai. Mr Patel assured us he was nevertheless confident he had sufficient instructions even absent his client. In light of the absence of Mr Kerai to give evidence or be cross-examined, the Tribunal modified the hearing process so that Mr Patel was limited to submissions.

5. A number of issues in the case fell away during the course of the application, and during preliminary discussions at the hearing. It was agreed that the only matters that remained for determination by the Tribunal were:

   (a) What is the reasonable sum for the management fee payable by the Respondent;
   (b) What is the reasonable sum in respect of major works consultation, in accordance with section 20 of the Act and the Service Charges (Consultation Requirements) (England) Regulations 2003 (as amended) ('the Regulations) payable by the Respondent.

6. The property which is the subject of this application appears to be a late Victorian end of terrace house, on ground and first floors, converted into 4 flats on an unknown date. It was Mrs Sharma's evidence that all four flats are sub-let. 39B also benefits from the rear and front garden areas.

7. No issue was taken that the lease permits for the works to be undertaken, and for the relevant charges to be recovered through the service charge. The relevant clauses are:

   Clause 4(j)

(j) At all times hereafter during the said term to pay one quarter of the total cost of all maintenance and repairs to those parts of the Building referred to and described in Clause 5(c) hereof and the Lessee will also pay one quarter of the total cost of redecoration and repair of the internal common parts of the Building after the Lessor shall have supplied full details including accounts to the Lessee

Clause 4(k)

(k) Whenever required by the Lessor to pay one quarter of the cost and expense incurred by the Lessor

(i) in employing such staff as in the opinion of the Lessor may be necessary to perform the services to be provided by the Lessor

(ii) in the collection of the rents hereby reserved and payments herein covenanted by the Lessee to be paid and of the administration and management of the repairs and maintenance of the Building referred to in Clause 6 hereof or at the Lessors option the reasonable or usual charges of Estate Agents or Managing Agents employed by the Lessor for the purpose of such collection and/or administration and Management and at the proper or reasonable fees of accountants or auditors (if any) employed by the Lessor in connection therewith

(iii) in effecting and maintaining the Insurance of the Building against the Insured Risks as hereinafter defined and against such other risks as the Lessor and Lessee may from time to time agree

Clause 5(c)

(c) That subject to the Lessee's contribution and payment as hereinbefore provided and whether or not any contribution shall have been received from the occupiers for the time being of the other flats the Lessor will:

(i) maintain and keep in good and substantial repair and condition the main structural parts of the Building including the roof, foundations and external parts thereof together with the drains drainpipes and electric cables and all paths pathways corridors and other common parts but not the glass of the windows of the Building or the interior faces of such of the external walls as bound the Building such being the sole responsibility of the Lessee and the Lessees or occupiers of the other flats in the Building

(ii) in every fifth year completed from the date hereof decorate with three coats of good quality paint or good quality polish or other suitable material of a good quality in a proper and workmanlike manner all of the wood iron doors and other parts of the exterior of the Building usually or which ought to be decorated or painted and at such times as aforesaid to grain varnish distemper wash stop whiten and colour all such parts of the exterior of the Building as are usually so treated or decorated

Law

8. Section 18(1) of the 1985 Act defines a "service charge" as:

... an amount payable by a tenant...
(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.

9. Section 19 of the Act provides that:

19 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 in 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.

10. Section 27A of the 1985 Act confers on us jurisdiction to determine whether a service charge is payable and if so, by whom, to whom and in what amount and manner, and on what date.

11. The 'reasonableness' test is identified in *Cos Services Limited v Nicholson* [2018] L. & T.R. 5 (citing *Forcelux Limited v Sweetman* [2001] 2 E.G.L.R. 173 and *Waaler v Hounslow LBC* [2017] EWCA Civ 45), and is in two stages:

(a) has the landlord acted 'rationally' (in the sense that the contract sustains its course of action) in incurring the costs sought by way of the service charges; and

(b) even if the answer to (a) is "yes", is the sum sought a reasonable sum in all of the circumstances (both in process, and outcome)?

12. The first element is no longer an issue between the parties in this case. The latter, which we are required to determine, is an objective question, to be answered considering the particular circumstances of the case.

13. Section 20 of the Act provides as follows:

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] .

(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.

…

14. The Regulations require the following process in respect of qualifying works, without which a landlord is limited to £250 per tenant in respect of those qualifying works unless the Landlord obtains dispensation under section 20ZA of the Act:

7.— The consultation requirements: qualifying works

...
(4) Except in a case to which paragraph (3) applies, and subject to paragraph (5), where qualifying works are not the subject of a qualifying long term agreement to which section 20 applies, the consultation requirements for the purposes of that section and section 20ZA, as regards those works–

(a) in a case where public notice of those works is required to be given, are those specified in Part 1 of Schedule 4;

(b) in any other case, are those specified in Part 2 of that Schedule.

...

Schedule 4

1.—

(1) The landlord shall give notice in writing of his intention to carry out qualifying works–

(a) to each tenant; and

(b) where a recognised tenants' association represents some or all of the tenants, to the association.

(2) The notice shall–

(a) describe, in general terms, the works proposed to be carried out or specify the place and hours at which a description of the proposed works may be inspected;

(b) state the landlord's reasons for considering it necessary to carry out the proposed works;

(c) state that the reason why the landlord is not inviting recipients of the notice to nominate persons from whom he should try to obtain an estimate for carrying out the works is that public notice of the works is to be given;

(d) invite the making, in writing, of observations in relation to the proposed works; and

(e) specify–

(i) the address to which such observations may be sent;

(ii) that they must be delivered within the relevant period; and

(iii) the date on which the relevant period ends.

...

3.
Where, within the relevant period, observations are made in relation to the proposed works by any tenant or the recognised tenants' association, the landlord shall have regard to those observations.

4.—
(1) The landlord shall prepare, in accordance with the following provisions of this paragraph, a statement in respect of the proposed contract under which the proposed works are to be carried out.

(2) The statement shall set out–

(a) the name and address of the person with whom the landlord proposes to contract; and

(b) particulars of any connection between them (apart from the proposed contract).

(3) For the purpose of sub-paragraph (2)(b) it shall be assumed that there is a connection between a person and the landlord–

(a) where the landlord is a company, if the person, or is to be, a director or manager of the company or is a close relative of any such director or manager;

(b) where the landlord is a company, and the person is a partner in a partnership, if any partner in that partnership is, or is to be, a director or manager of the company or is a close relative of any such director or manager;

(c) where both the landlord and the person are companies, if any director or manager of one company is, or is to be, a director or manager of the other company;

(d) where the person is a company, if the landlord is a director or manager of the company or is a close relative of any such director or manager; or

(e) where the person is a company and the landlord is a partner in a partnership, if any partner in that partnership is a director or manager of the company or is a close relative of any such director or manager.

(4) Where, as regards each tenant's unit of occupation, it is reasonably practicable for the landlord to estimate the amount of the relevant contribution to be incurred by the tenant attributable to the works to which the proposed contract relates, that estimated amount shall be specified in the statement.

(5) Where–

(a) it is not reasonably practicable for the landlord to make the estimate mentioned in sub-paragraph (4); and

(b) it is reasonably practicable for the landlord to estimate, as regards the building or other premises to which the proposed contract relates, the total amount of his expenditure under the proposed contract,

that estimated amount shall be specified in the statement.

(6) Where–

(a) it is not reasonably practicable for the landlord to make the estimate mentioned in sub-paragraph (4) or (5)(b); and

(b) it is reasonably practicable for the landlord to ascertain the current unit cost or hourly or daily rate applicable to the works to which the proposed contract relates,

that cost or rate shall be specified in the statement.

(7) Where it is not reasonably practicable for the landlord to make the estimate mentioned in sub-paragraph (6)(b), the reasons why he cannot comply and the date by which he expects to be able to provide an estimated amount, cost or rate shall be specified in the statement.

(8) Where the landlord has received observations to which (in accordance with paragraph 3) he is required to have regard, the statement shall summarise the observations and set out his response to them.

5.—

(1) The landlord shall give notice in writing of his intention to enter into the proposed contract–

(a) to each tenant; and

(b) where a recognised tenants' association represents some or all of the tenants, to the association.

(2) The notice shall–

(a) comprise, or be accompanied by, the statement prepared in accordance with paragraph 4 ("the paragraph 4 statement") or specify the place and hours at which that statement may be inspected;

(b) invite the making, in writing, of observations in relation to any matter mentioned in the paragraph 4 statement;

(c) specify–

(i) the address to which such observations may be sent;

(ii) that they must be delivered within the relevant period; and

(iii) the date on which the relevant period ends.

(3) Where the paragraph 4 statement is made available for inspection, paragraph 2 shall apply in relation to that statement as it applies in relation to a description of proposed works made available for inspection under that paragraph.

6.

Where, within the relevant period, the landlord receives observations in response to the invitation in the notice under paragraph 5, he shall, within 21 days of their receipt, by notice in writing to the person by whom the observations were made, state his response to the observations.

7.

Where a statement prepared under paragraph 4 sets out the landlord's reasons for being unable to comply with sub-paragraph (6) of that

paragraph, the landlord shall, within 21 days of receiving sufficient information to enable him to estimate the amount, cost or rate referred to in sub-paragraph (4), (5) or (6) of that paragraph, give notice in writing of the estimated amount, cost or rate (as the case may be)–

(a) to each tenant; and

(b) where a recognised tenants' association represents some or all of the tenants, to the association.

15. In *Daejan Investments Limited v Benson & Ors* [2013] UKSC 14 (SC), in delivering their Lordships' judgment that dispensation under section 20ZA should be granted where the failure to dispense had resulted in no prejudice to the tenants in terms of the extent, quality and cost of the works concerned, Lord Neuberger PSC set out the following observations regarding the consultation requirements:

42. So I turn to consider section 20ZA(1) in its statutory context. It seems clear that sections 19 to 20ZA are directed towards ensuring that tenants of flats are not required (i) to pay for unnecessary services or services which are provided to a defective standard, and (ii) to pay more than they should for services which are necessary and are provided to an acceptable standard. The former purpose is encapsulated in section 19(1)(b) and the latter in section 19(1)(a) . The following two sections, namely sections 20 and 20ZA appear to me to be intended to reinforce, and to give practical effect to, those two purposes. This view is confirmed by the titles to those two sections, which echo the title of section 19 .

43. Thus, the obligation to consult the tenants in advance about proposed works goes to the issue of the appropriateness of those works, and the obligations to obtain more than one estimate and to consult about them go to both the quality and the cost of the proposed works…

46. The requirements are a means to an end, not an end in themselves, and the end to which they are directed is the protection of tenants in relation to service charges… After all, the requirements leave untouched the fact that it is the landlord who decides what works need to be done, when they are to be done, who they are to be done by, and what amount is to be paid for them.

16. In *Reedbase Ltd v Fattal* [2018] EWCA Civ 840 (CA), Lady Justice Arden gave the unanimous judgment of the court, that there was no obligation on a landlord to retender where the estimates already provided provide sufficient information of the work to be done:

36. It is sometimes necessary for a landlord to repeat stage 2 of the process required by the Consultation Regulations but neither the Landlord and Tenant Act 1985 nor the Consultation Regulations give guidance as to when this should be done. In my judgment, the relevant test, in the absence of any explicit statutory

guidance, as to when a fresh set of estimates must be obtained, must be whether, in all the circumstances, the appellants have been given sufficient information by the first set of estimates. That involves, as both counsels submit, comparing the information provided about the old and the new proposals (and that comparison should be made on an objective basis). The difference is that the estimates produced at the second stage did not include an estimate for the additional cost of the appellants' preferred tiles or of the pedestal system for fixing them. But that difference was not the only relevant factor and it would not, as I see it, be right to conclude that there had been a material change in the information provided on the basis of that one factor. In my judgment, in the light of the statutory purpose, as expounded in Daejan *, it must also be considered whether, in all the circumstances, and taking account of the position of the other tenants who did not object to the changes, the protection to be accorded to the tenants by the consultation process was likely to be materially assisted by obtaining the fresh estimates.*

37. In my judgment, the answer to the question I have posed is clearly no, taking a realistic view of the circumstances of this case, for several reasons. First, as the judge recognised, it is a relevant consideration that the tenants who contend that there should have been a fresh tender knew about the change in the works (including the need for a pedestal system of shims) and approved it, and did so without contending at that point in time that there should be a fresh tender. This is not a case where the landlord was seeking to ambush the tenants by doing some fundamentally different set of works from that originally proposed. Second, the change in cost was relatively small in proportion to the full cost of the works, especially when account is taken of the fact that the increase in cost due to the appellants' choice of tile was primarily for the appellants' sole enjoyment, and yet was being borne by the service charge. As Mr Chew put it, the proposals remained substantially the same. Third, it was on the face of it likely to be unrealistic to think that contractors who had estimated for the full works but not obtained the contract would be likely to tender or to hasten to tender for a small part of it (supplying and fixing the tiles). (There was a single contract awarded for the works). There is no evidence that there would have been any saving in cost. No other contractor had been put forward by the tenants. Nor indeed was there any suggestion that it would be best practice to seek fresh tenders in these circumstances. Fourth, the retendering process would have led to a loss of time in completing the works, which might prejudice other tenants. Fifth, the appellants continued to have their protection under section 19 of the Landlord and Tenant Act 1985 (see Appendix) against the inclusion of unreasonable costs in the service charge…

17. In *Skilleter v Charles* [1991] 24 HLR 421 (CA), their Lordships were caused to consider whether management of a landlord's property by it's 'alter ego' management company was, as had been held in *Finchbourne Limited v Rodrigues* [1976] 3 All ER 581, indicative that the relationship

was not independent such that alternative management was required. In giving the judgment of the court, Lord Justice Parker found (425-426):

As to the first point, it appears that the landlord and his wife formed the company after the leases had been created. That company, however, manages other properties, some of them outside Littlehampton, and it cannot be suggested that the company is a sham put in place solely for the purpose which it is suggested lay behind it. The lease expressly permits the employment of a manager and for that manager to be paid. I can see no reason why in such circumstances the landlord should not employ a company and charge therefore, even if he owned that company, provided that it was not a complete sham. In this case there is no evidence that it was such a sham and the evidence that it was not is plain. It further appears that the point was not taken in the court below. Had it been taken, the matter might well have been further explored. It was not, however, further explored and in my view it is too late to advance the point now.

Management fees

18. In her statement of case, Mrs Sharma stated "[t]*he Applicant manages and insures the property by instructing the managing agent* [LLSL] *whose fees cover general management and non-routine work which is not charged separately*."

19. Part of the evidence provided by Mrs Sharma was a letter dated 1 May 1995 from LLSL to "*the Freeholder*" entitled "*Management contract*" (although it is not signed by either party). The address of the company appears to have been updated in manuscript on the letter on 2 April 1992. The company registration number is not included.

20. In that letter, the term of the agreement is annual, and the sum said to be the basic management fee said to be "*between £350.00 to £500.00 per Flat and will increase each year*" (in money terms, taking into account inflation, that would now be between £723.84 - £1,034.06). The services included for that sum are said to "*include*":

Arranging building insurance and negotiate premiums and attend to claims with insurance company and leaseholder

Collection of service charges and ground rents and hold service charges money in separate leaseholder's bank account

Negotiate common part electricity supply with energy providers and take regular meter readings

Attend to Leaseholders. Their letting agents, their sub-tenants and other parties for access and carrying out maintenance work

Attend to common parts to keep them free of debris and rubbish and comply with health and safety

Liaise with contractors off and on-site regarding work needed to common parts

Ensuring compliance with lease covenants, law and assist leaseholders to remedy breaches

Arrange maintenance, repairs and cleaning services of common parts

Attend to emergency work/repair procedures and comply with local authority regulations

Attend meetings with leaseholders as requested and to attend leaseholders and their agents and tenants' queries and follow up requests and complaints

Liaison with auditors provide property file, bank statements vouchers and receipts and invoices

Section 20 major work consultation as appropriate and subject to a separate fee

21. For the years in question, LLSL had charged the leaseholders £3,000 per year (VAT inclusive) for the years 2016-17 and 2017 – 18, and £2,880.00 per year (VAT inclusive) for each of the subsequent years to 2023-24. Per leaseholder, that results in the management charge for the years in question being respectively:

2016-17	£600 plus VAT (total £750)
2017-18	£600 plus VAT (total £750)
2018-19	£576.00 plus VAT (total £720)
2019-20	£576.00 plus VAT (total £720)
2020-21	£576.00 plus VAT (total £720)
2021-22	£576.00 plus VAT (total £720)
2022-23	£576.00 plus VAT (total £720)
2023-24	£576.00 plus VAT (total £720)
Grand total:	**£ 5,820.00**

22. We sought an explanation from Mrs Sharma regarding how the management fee was calculated and set. She referred us to an explanation on what were described as 'task notes' in the years in question. In particular, one task note was repeated *verbatim* in each year:

Maintain adequate bookkeeping procedures

Prepare service charge demands and ground rent notices as appropriate and collect under terms of lease
Supplying financial reports to the freeholder client which include historical and current
Send to leaseholder with a summary of a copy of the tenants' rights and obligations
supplier balances and service charge balances
Prepare file for accountant including invoices, vouchers and bank statements
Attend to any queries raised by the accountant
send statements of account and reminders to Lessees for their Flat
Attend to tenants breaches of the terms of the lease
Contact leaseholder, their managing agents & sub-tenants for issues relating to the Flats and common parts
Carry our routine inspections and obtain common part supply meter reads
Attendance upon notices, emails and letters sent to and received from Leaseholders
Provide Building insurance document to Mortgagee of Leaseholders upon request

23. In her oral evidence, Mrs Sharma stated that the property is difficult to manage because all of the lessees have sub-let. She made a number of points about the Respondent having bought Flat 39B from someone who was in prison, unknown to her. It was not clear how this was relevant to the current dispute. She stated that she had to deal with a lot of issues that were "*non-routine*" including overcrowding, and rubbish in the front garden. She referred to undated photos of some furniture in the front garden (behind the wall and therefore presumably in the area demised to Flat B), some of which is plastic covered and some of which is broken down. The photos appear to relate to a single incident, and appear to show someone is moving in or out. She referred to a photo of cardboard/plastic/metal in a recycling bin. It is not understood what this was meant to demonstrate. She told us that on one occasion she had had to sort out an issue when someone lost their keys, and on another with broken glass (in what connection was unclear).

24. She asserted she had to deal with 12 people instead of four (a leaseholder, their agent, and their tenant for each Flat). She stated that she had to spend a lot of time dealing with the subtenants and agents, and that the tenants being young people they "*cause a lot of problems and take a lot of my time*", requiring activities that were beyond the normal routine (she referred to the rubbish on the pavement, which she said the council would hold her responsible for if she did nothing about it). She'd had to deal with three insurance claims in the last few years. Tenants had been leaving items in the common parts (hallway) which caused a health and safety issue. She asserted that she had also had to deal with some alleged antisocial behaviour (it was not clear what, and there was no evidence in the bundle, including in the task notes, but her statement of case at page 20 appears to demonstrate this is a reference to bulky waste on the public pavement).

25. She stated that no-one could legitimately expect that the management fees would stay at the same level as that quoted in the 1995 letter forever, and she had increased the fees by reference to the TPI service charges index (this was not supplied in the bundle). She asserted that in context of what she had to deal with at the property, the sums charged were reasonable.

26. She confirmed that LLSL manages four properties in total. In one block of nine flats, they charge £4,000 plus VAT (working out at £533.34 per flat). In a converted house with three flats, they charge £566.67 per flat (£1,700 total VAT inclusive); she described management of that property as "easy". In W9, for a building with three flats they charge only £900 including VAT (£300 per flat). She said this was the most difficult property because of "*the type of people*".

27. She stated that the management charges referred to by the Respondent in the letters from obtained from Woodward Estate Management ('Woodward' - a trading name of RAM Management Services Limited) of £200 - £300 per unit 2017-19; £250 – 350 per unit 2019-23; £300 - £400 per unit 2023-date of letter 17 March 2025, and from Skyline Block Management - £350 per unit at 3 March 2025 - were not reliable.

28. She asserted that the RAM Management Services Limited, which was co-owned by the Respondent (it is correct that publicly available documents at Companies House show that Mr Kerai is a director; that Regal Asset Managers Limited is the person with significant control, and that Mr Kerai is the sole person with significant control (75%+) in the latter).

29. She asserted that Skyline Block Management is owned by relatives of Mr Kerai (director Lalita Hirani; the letter signed by Mr Vik Hirani), and that three flats in the current property are let by "*Hirani Houses*". She produced no evidence of the latter.

30. She stated that neither of the letters set out what the services were that either company would undertake for the stated sum, nor the details of the properties (beyond number of flats in Woodward's letter), or what the tenure of the properties was.

Decision: Management Fees

31. Mr Patel sensibly did not pursue the matters dealt with in *Skilleter*, given the evidence in the bundle.

32. We found that Mrs Sharma did not give us a satisfactory explanation of why the management fee in respect of the property is so high. The activities she described were well within the bounds of the agreement between LLSL (Mrs Sharma as manager) and Mrs Sharma and Landlord. Taking a sensible approach to the tension between those two roles, the Tribunal would have expected to see evidence that this was a particularly

difficult building to manage or had taken up more of her time in its management than would be reasonably expected in the ordinary course of providing those services identified in the letter of 1 May 1995. Mrs Sharma's evidence was instead based in vague assertions, and an apparent attitude that "*young people*" are universally harder to manage than older tenants using flats in a block as their home, and it was a statement for which she provided no persuasive evidence for any particular tenants in the property.

33. It is not clear to us how "overcrowding" is an issue for Mrs Sharma's management, since the assured shorthold tenants are not her tenants, and their landlords are not a local authorities. Nor was the allegation sufficiently detailed to understand what she was alleging. It did not form part of her written case. For the matters she raised about lease compliance, she provided evidence of a single occasion on which there was some furniture outside the property within the bounds of the front garden. Although she referred to "local authority letters" in connection with ASB (itself reliant on bulky waste on the public pavement) in paragraph 2 of her statement of case, none were exhibited. It was unclear when and how often this was a matter requiring management attention. Other allegations in paragraph 2 were also unevidenced. The "task notes" she provided are, we find, reflective of the obligations in the letter of 1 May 1995.

34. Mrs Sharma identified that LLSL manage four properties. In respect of establishing any basis on which an objective assessment resulted in a £300 per unit management fee for the W9 flats, versus the "easy" property in which there are three flats and LLSL nevertheless charges £566.67 per flat, we could not discern any criteria other than the way Mrs Sharma felt about the difficulty of the people occupying them. In the latter case, we could not identify how 'easy' units were charged at nearly as much as the 'difficult' flats in the present case.

35. We find that we cannot discern any methodology behind the per unit costs of management at 39 Linacre Road, save for Mrs Sharma's subjective 'feeling' of how difficult it is to manage.

36. No supporting evidence to demonstrate that LLSL's management fees are in line with those available on the open market was provided. There was no evidence provided that, on the expiry of the agreement for the end of the year 30 April 1996 or in any other year, there had been any review of the provisions of the letter purporting to be the agreement between Mrs Sharma and LLSL. There was no evidence of any attempt at objective analysis or market rates to establish the reasonable management rate. There was no evidence of how the rate identified in that letter was set. We cannot discern how the quoted £350 - £500 per Flat in 1995 was imposed or represented a reasonable charge for the property as it then was. That sum would have been considerably above the average market rate at the time. We take judicial notice that rates for property management in 1995 will have been lower than in subsequent years (all the way to 2025).

37. We reject Mrs Sharma's argument that the figures from Skyline and Woodward are unreliable in testing the market rate for management currently available. Mrs Sharma's argument relies on allegations that those figures are from organisations that are some kind of sham. There is no evidence to support that contention. In the same way as Mrs Sharma relies on the separation between LLSL and herself in charging for her management of the property, both Skyline and Woodward are protected. Sauce for the goose is sauce for the gander.

38. We therefore conclude that both in terms of process of setting the per unit rate for management of the flats at 39B Linacre Road, and in terms of outcome, the sums charged for management are not reasonable in amount.

39. On the evidence provided by Skyline and Woodward, and in our experience of dealing with these types of cases, the current market rate for professional management at the current time is in the range of £300 - £400 per unit for an average property (though more difficult properties will necessarily attract higher rates). We are satisfied that the rates for the earlier periods as identified in Skyline's letter are within the reasonable range of professional management fees obtainable during those periods.

40. We are not satisfied that there is any evidence that demonstrates this property falls outside the average range.

41. We accept that management of smaller properties can be equally, and in some cases more, costly that for multi-unit buildings in which there are economies of scale available. We also accept that there is some additional work involved with absentee leaseholders whose leases are investments rather than their own homes.

42. We find that the reasonable sum per unit for management of the flats at 39 Linacre Road, and therefore the sums payable by the Respondent in the years in question, are as follows:

In each of 2016-17, 2017-18, 2018-19	£300 plus VAT
In each of 2019-20, 2020-21, 2021-22, 2022-23	£350 plus VAT
In 2023-24	£400 plus VAT
	Total: £3,240.00 (inc)

Section 20 consultation fees

43. The services set out in the letter dated 1 May 1995 exclude section 20 major works consultation, for which it is provided that there will be a "*separate fee*". No separate agreement regarding fees for section 20

consultation was provided, although Mrs Sharma's evidence was that one existed but that she had been unable to find it. Her subsequent evidence was that she charges for consultation in accordance with how difficult the works concerned turn out to be, not on a fixed basis.

44. In none of the consultations that follow did any leaseholder return any comment or objection.

2016-17 Internal redecoration works

45. In the service charge account dated 12 June 2017, it is shown that for the "*section 20 Major works on account costs*" LLSL charged £2,160.00 (VAT inclusive), in addition to the sum of £2,880 for redecoration of the common parts (being the major works with which the £2,160.00 section 20 consultation fee is concerned).

46. In the following year, 2017 – 18, an additional sum of £720 (VAT inclusive) was charged for section 20 consultation. The description of the works said to have been done in the service charge account dated 25 June 2018 is "*Management fee for completing the section 20 works left incomplete by the leaseholders contractor*".

47. Mrs Sharma stated in evidence that the works undertaken between 2016-17 – 2017-18 in fact totalled £3,105.60. Those were internal redecorations (including fitting of a new carpet) as consulted, and repair/replacement of a front hopper (which cost £188, plus VAT of £37.60). No invoice from LLSL to Mrs Sharma for the latter appeared in the bundle.

48. The Notice of Estimates at page 223 of the bundle included works that had been subject to an earlier section 20 initial notice on 6 February 2013 (page 203), in which the process concluded with the leaseholders' nominated contractors had been appointed (RB Design and Build) on 25 July 2024. Mrs Sharma told us that she had paid RB Design and Build £28,000 for the works concerned (the estimate provided by the notice of intention to enter into the contract was £28,037.00 plus VAT), but they had left site with contracted works unfinished. She was unable to provide us with any details of what had or hadn't been done, or what was done to an insufficient standard. She told us she had decided it was better to simply re-consult than to pursue any rights under the contract with the contractor, as she wanted "*a more reasonable person*" to carry out the work.

49. Evidence in the bundle at page 218 demonstrates that MH associates were paid four sums in connection with the works undertaken by RB, the fourth of which was £3,364.80 (VAT inclusive) on 2 July 2015. It also shows that there were additional sums required to complete the works required, in the estimated sum of £5,000, and that of the original funds

£3,000 had not yet been expended. That £3,000 was envisaged to encompass re-tiling the roof over the front entrance porch, renewing the internal communal carpet, relaying stones to the front entrance, and providing a new hopper and down pipe. MH Associates confirmed: "*The main areas of expenditure incurred in excess of the original tender were to the roof, external brickwork repairs, and internal emergency lighting, whereas other savings were made in the decorations, and other associated works.*"

50. Mrs Sharma told us that she had not charged any sums for that earlier 2013 consultation. She told us she had therefore added it instead to the sums billed for the 2016 consultation. The work she had done surrounding the specifications provided by MH Associates and RB Design and Build (in or around July 2014) were also charged as part of the 2016-17 and 2017-18 sums added to the service charge account. Mrs Sharma stated that the £2,160 charged for the section 20 process in respect of that previous work (in connection with works which formed part of the Notice of Intent in July 2016) was described in the document at page 126 of the bundle, in the entry dated 25 July 2016, as being for a "*balance fee*" because of that (together with the second document at page 128, those documents will be referred to from now as 'the 'payments' documents').

51. The consultation for the 'incomplete' works is difficult to separate from the previous contract and ongoing works. In the bundle, by a notice dated 10 July 2015 (presumably in consequence of MH Associates' letter of 2 July 2015, Mrs Sharma told the leaseholders as follows:

"*We understand that the Leaseholders are aware of the proposed and or unforeseen works and that additional funds are needed to complete the works. The additional money is needed to complete the extra work needed to the main roof, complete the internal decorations, carpet the hallway and common parts, remove the existing covering over the main entrance porch and re-roof, supply and fix new hopper and downpipe to the front of the property. We request the leaseholders confer with each other to agree the additional £8,000 - £10,000 needed to complete the works…*

…The Alternative is to undertake a section 20 consultation under Landlord and Tenant Act 1985 and relevant regulations referred to in section 20 and section 20ZA… This would mean the landlord has to draw up a revised schedule of works, liaise with MH Associates to find new contractors to obtained quotes to complete the works abandoned by the original contractor and can work out to be costly in terms of increase in price and of the professional fees. This can increase the overall costs and time consuming for all and incur further costs and professional fees which is not in the interest of the parties.

Therefore, no leaseholder would be prejudiced in so far that the works need to be completed and further service charge contributions are need to complete the works."

52. On 1 December 2015, a further notice purporting to be under section 20 was sent in which Mrs Sharma said this:

"*We note that we have not received any objections for the overspend due to extra work carried out to the premises pursuant to the section 20 consultation.*

We have contacted the contractor who has said they will complete the works in the schedule within a short period of time but have not given a date. We understand that they the contractor has contacted the leaseholders regarding the overspend but has not received any response. The contractors are still waiting to receive confirmation that costs have been agreed with the leaseholders and funds are available.

We confirm that for us to obtain fresh quotes would mean that the new contractors will view the outstanding work as new work. Contractors are normally reluctant to complete works abandoned by the original contractor."

53. Mrs Sharma sent a new Notice of Intention dated 26 February 2016. Peculiarly, on the same date, Mrs Sharma sent another letter also purporting to be in pursuit of section 20, in which she said:

"*All leaseholders were sent a Section 20 stage one notice relating to intention to carry out the proposed works, stage two notice relating to proposals based on estimates received and costs thereof and stage three notice for award of contract pursuant to section 20 procedure prior to … RB Properties taking on the contract to complete the works. Therefore no leaseholder would be prejudiced in so far that the works need to be completed and further service charge contributions are needed to complete the works.*

As the leaseholders are aware even if one leaseholder nominates a contractor and in circumstances where the contract is awarded to a contractor nominated by a leaseholder then stage three notice is not required to be served."

54. In that second letter, Mrs Sharma asserts that "RB Properties" had "*abandoned the site*", had "*received additional sums from insurers towards some roofing or higher level works… Contractors rubble had blocked drains and we arranged to clear the drains four times during the last fourteen months*", and "*Despite various attempts at reconciling it is deemed not possible to resolve the differences between the parties. We are unable to leave the building in its present condition. We require*

urgent work to complete the works and make sure it is safe for occupants." As a result, Mrs Sharma stated that a new section 20 process would be entered into.

55. In neither letter were the works said to require re-consultation identified, otherwise than by reference to "incomplete" works carried out by RB "Properties". At the hearing we asked Mrs Sharma to identify which of the works that were required by the specification had been completed. In some cases she could identify works had been done or not. In others she just said "*I assume it happened*" or she wasn't sure.

56. On 15 July 2016 notice of estimates was given. The estimates were for works identified by the contractors themselves, as noted at page 226 of the bundle. E&D Roofing and RB "Maintenance" are said to have quoted for the tiling over the front porch (£1,425.60 and £1,434 respectively). E&D Roofing, RB "Maintenance" and LLSL itself are said to have quoted for internal redecoration (£3,550+VAT; £3,629.00+VAT; £2,400+VAT). Mrs Sharma proposed to appoint E&D Roofing for the roof tiling work and LLSL for the internal redecorations. It was unclear whether the RB "Maintenance" estimates were those provided previously by RB Design and Build (who Mrs Sharma also referred to as RB Properties) in the course of the works being done in 2015, or new estimates which do not appear in the bundle. We must assume the former, on grounds of what was said in the letter of 26 February 2016.

57. On 30 September 2016, Mrs Sharma gave notice of intention to enter into contracts with E&D Roofing and LLSL (i.e. the last notice of the process). For the first time by that notice (page 233), Mrs Sharma added the following sum:

"*London Land Securities Section 20 management fee £1,800 plus vat Section 20 consultation*"

58. Mrs Sharma told us that E&D Roofers did not carry out the roof works mentioned in the consultation because they did not respond to the invitation to contract. It is puzzling, therefore, that that exact sum appears in the 'payments' document at page 126 as paid on 20 June 2017. It also appears on the service charge demand for the year 1 April 2017 – 18 (page 74). It does not appear in the VAT 'list' on page 129.

59. The total value of the works carried out in pursuance of the consultation invoiced by LLSL to Mrs Sharma was agreed by the parties to be £2,880 – there are two invoices for that sum, firstly on 7 June 2016 (page 230) and secondly on 31 August 2017 (page 140) (presumably on the basis that one is an on-account estimate and the other is a balancing invoice, despite showing that the sum is due on both invoices). On the evidence provided in the bundle, LLSL invoiced Mrs Sharma as follows for section 20 consultation work:

20 July 2016 £1,800 plus VAT **£2,160** (page 138)
Description: "*Invoice Section 20 consultation for incomplete works*"

Liaise with the surveyors MH Associates and contractors' manager and attend site as needed

Re-consult leaseholders relating to works omitted by contractors RB Maintenance nominated by the leaseholders regarding the incomplete work
i) Repairs to main roof front pediment
ii) Internal common parts decorations
iii) Replace front hopper
iv) Remove existing carpet, supply and fit new carpet of common parts

Prepare and serve first and second stage section 20 notices upon the leaseholders se
Attend site for receiving contractors to obtain quotes etc.
Attend to various complaints raised by the leaseholders and their solicitors regarding the works not carried out by the RB Maintenance contractors
Engage with contractors' manager regarding the incomplete works
Attend to complete the omitted works i.e. I to iv as described above

2 November 2017 £600 plus VAT **£720** (page 142)
Description: "*Works carried out during 1 April 2017 to 31 March 2018*"

Carry out Section 20 re-consultation for works not completed by the Leaseholders choice of contractor
Attend site to show various contractors to obtain quote and manage the contractor
Arrange contractors to carry out the replacement works to the Downpipe
Show contractor to obtain quote for supply and fix roof over entrance porch common parts carpet
Remove abandoned items to prepare flooring for carpet contractor to measure for supply and fitting common part carpet
Test the faulty fire alarm system and assess further works to remedy faults not rectified by leaseholders choice of contractor

1 April 2018 £600 plus VAT **£720** (page 156)
Description: "*Works carried out during 1 April 2017 to 31 March 2018*"

Carry out Section 20 re-consultation over works not completed by the Leaseholders choice of contractor
Attend site to show various contractors to obtain quote and manage the contractor
Arrange contractors to carry out the replacement works to the Downpipe
Show contractor to obtain quote for supply and fix roof over entrance porch common parts carpet
Prepare flooring to receive new carpet
Test the fire alarm system and assess further works that need to be carried out

60. In total what appears to have been billed by LLSL to Mrs Sharma is therefore £3,600.00 for consultation, for the works in the sum of £2,880.00 that were invoiced by LLSL to Mrs Sharma. Mrs Sharma pointed us to the 'payments' documents line item 1 on page 128 and shows the £1,800 plus VAT sum (£,2,160.00) paid across from the leaseholders' account to LLSL's. The document on the following page (129) suggests the sums was recorded in LLSL's VAT 'list' on 31 March 2017, described as "*on account section 20 fees for s.20 re-consulting to*

remedy work carried out by RB Maintenance [sic] *and complete the work".*

61. The 'payments' document at page 128, line item 4, shows a further £800 being transferred on 9 November 2017, £720 of which is said to be for the section 20 process and the other £80 for an "*unrelated item*". This is shown on the VAT 'list' on 31 March 2018 as being "*balance of s.20 fees for completing works abandoned by RB Maintenance*".

62. Neither has an entry for 1 April 2018. It would appear from the service charge accounts that the leaseholders were only charged one of the £720 sums from the two invoices of 2 November 2017 and 1 April 2018. Only £2,880 was included in the summary accounts provided by Mrs Sharma's accountants between 1 April 2016 – 31 March 2018 (pages 82 and 74 chronologically). That appears to accord with the document on page 129 recording the VAT 'list'.

63. For any works that took place in 2014-15, and any demands (or absence thereof) for sums for consultation in that period, no evidence has been put forward by Mrs Sharma beyond what she told us orally and what can be traced through the consultation letters. Those years are not included on the 'payments' documents on pages 126 and 128, or the VAT 'list' at page 129. She stated that was because the works themselves were not in dispute.

Internal redecoration works decision

64. Firstly, we find that Mrs Sharma's assertion that RB Design and Build (aka Properties aka Maintenance) had abandoned the works incomplete is a mischaracterisation. It is clear from MH Associates' report that RB Design and Build were on the job, had requested funds to complete more work found in the course of the design and build contract for which they had provided only an 'estimate' in the first place, and had made savings in some places against overspend in others. That is what might be called an entirely routine set of circumstances in a design and build contract. It is peculiar that MH Associates, RB Design and Build's competitor in the tender, appears to have been supervising the process, but that makes it more compelling that they were making no criticism of RB Design and Build on 2 July 2015.

65. What follows thereafter is frankly bewildering. We cannot ascertain the logic behind running further full section 20 consultations, taking many further months, in respect of works that on Mrs Sharma's own case formed part of the works already consulted on all the way back in 2013.

66. It was MH Associate's advice in its 2 July 2015 that £5,000 extra was needed to complete the works already covered by the RB Estimate. £3,000 remained unexpended in the 'pot'. LLSL, by its "section 20

notice" (a misnomer repeated in much of Mrs Sharma's correspondence) dated only 8 days later, doubled that sum. Instead of demanding the additional money for the consulted-on (and not objected-to) works only ever subject to an 'estimate' from any of the tendering companies, she instead left it to the leaseholders to agree to a sum between themselves. There was no demand in evidence.

67. It is not clear where the sum of £8,000 - £10,000 came from, in light of the MH Associates letter on which it appears to be based. It is also unclear why there was any intimation in that 10th July 'notice' that the works would be 'abandoned' by the RB design and Build, since they were clearly on site 8 days before as evidenced by MH Associates' letter.

68. Mrs Sharma again failed to demand any money for the works 6 months later, in another letter labelled as a section 20 notice but in fact no such thing, in which the arrangements for funds were outsourced to the contractor to agree with the leaseholders.

69. It is perhaps unsurprising, in a contract in which the contractor had only £5,000 worth of work remaining, and in which LLSL were doing nothing to obtain the funds, the RB Design and Build 'abandoned' the site by February 2016 (8 months later). We do not understand, and there is no evidence for, any insurance claim made by RB Design and Build, and Mrs Sharma did not make any such allegation in the various "notices".

70. It is further unclear why, having had no response, she embarked on an entirely new consultation for works that had already formed part of the 2013 consultation instead of going straight to the contractor from whom the second-best quote was obtained in the process. It does not appear to be her position that these were new works. That contractor was required to retender.

71. The fact that LLSL then awarded the contract for the internal redecoration works to itself on 30 September 2016, and then did not in fact do the works until at least 4 September 2017 (as shown by the entry for the new carpet on the document on page 141 and line item 1 on the 'payments' document page 126, neither of which matches the invoices on 7 June 2016 (page 230) or 31 August 2017 (page 140)), also demonstrates a lack of 'management' of the works that Mrs Sharma says was included in the section 20 process.

72. We find that neither the process for engaging LLSL to manage the section 20 process which on its own terms fell outside of its management responsibilities (and for which there is no evidence at all), nor the outcome in terms of its management or cost, is reasonable.

73. We do not understand how Mrs Sharma has come to any amount for the 'previous' (2013) consultation applying hindsight to the alleged

behaviour of RB Design and Build or otherwise. We find that it was Mrs Sharma's failure to manage the project, and in particular to require the additional £5,000 funds from the leaseholders as were her right alone, that led to the works remaining incomplete.

74. Even had we been satisfied that the sums were incurred (of which there is no evidence), we would have found it difficult to see how they could be simply charged in the 'new' consultation as Mrs Sharma purported to do by the 'notice' on 30 September 2016.

75. We therefore find that the sum of £1,800 plus VAT demanded by way of service charges for that consultation are not payable.

76. In terms of the 'second' consultation ('the 2016 consultation), the Respondent "offers" a sum of £300 plus VAT for that consultation, based on the letter from Woodward. He further "offers" 10% of the sum of the works £2,880. It is therefore clear that he accepts a sum is due, and that what he offers are reasonable sums.

77. We find that Mrs Sharma has provided no evidence of what was agreed with LLSL in terms of the 2016 consultation in terms of a fee. We cannot identify who agreed that the consultation would incur charges of £600 plus VAT per letter, which is the approach that Mrs Sharma appears to have taken (and which is contrary to her evidence to us that the full process was charged by LLSL at a 'standard' fee of £600 plus VAT). Nor can we identify where or when any particular charge was negotiated, or by whom. Nor is there any evidence to support that any "standard" fee of £600 plus VAT is reasonable for a section 20 consultation process.

78. Nor has Mrs Sharma given evidence of what project management she undertook in that process. She made vague assertions of arriving at site, sometimes in the company of one of LLSL's other employees. We find that her approach to the works in fact derailed and delayed the process, which demonstrates unreasonable management.

79. We are satisfied on the evidence provided in the letter from Skyline and Woodward that the 'standard' charge for carrying out a section 20 consultation is between £300 - £360 plus VAT, and that the project management element is in the region of 10%. That is in line with our general experience. We find that the reasonable fee for the 2016 consultation process is £300 plus VAT.

80. Had the Respondent not "offered" the additional 10% market rate for professional managing agents' project management in his witness statement, we would have been inclined to allow only 7%, being something higher than secretarial but something lower than project management. because Mrs Sharma (i) is not RICS qualified (ii) does not appear to scope the works in question (as evidenced by the estimates

received that are not based on the same basic specification, and the use by LLSL of the estimates as the quoted scope of works in the stage 2 notices), and (iii) has not demonstrated the professional approach to project management we would have expect for the percentage (as demonstrated *passim*).

81. However, in light of the Upper Tribunal's decision in *Triplerose Ltd v Bowles & Ors* [2022] UKIT 214 (LC), we consider we are bound by the Respondent's offer of the market rate of 10%, and that is therefore the percentage we find payable.

82. The Respondent's portion is therefore £162.00.

2023-24 Roof works

83. In relation to the roof works in 2023-24 (invoices at pages 143 – 145 of the bundle, totalling £8,800), it appears that before notice of intention was given, LLSL had already obtained an estimate from E&D Roofers in relation to the front roof pediment (estimate dated 6 January 2023 at page 175) which totalled £5,400.00 (including VAT). Mrs Sharma had also obtained an estimate of £4,500 (apparently inclusive of VAT and scaffolding) from Kingsmead Roofing Limited (page 178) dated 10 January 2023.

84. A new Notice of Intention was given on 11 January 2023 (page 164). The works described there were exactly as described by E&D Roofers in its 6 January 2023 estimate, together with reference to rainwater goods:

"*Roofing works – Works to the main roofing front pediment:*
Strip off tiles to both sides of the pediment and set aside for reuse.
Remove degraded timber felt and battens. Lay a new High Performance Permo Forte Breathable felt fixed with treated timber battens.
Refit saved tiles and make up any shot falls with matching interlocking tiles, infill gable end with lime mortar mix of sand and cement.

Inspect rainwater goods and supply and fix any broken rainwater goods or clean existing rain water goods and supply adequate width rainwater goods including proper facilities to discharge excessive rainwater efficiently if required so that the additional and or excessive rainwater is managed and discharged properly through the main drainage system.

Provision for necessary professional fees and other costs:
Main contractor preliminaries for protection access management plant health and safety
Plus VAT, contingency sum together with professional and management fee"

85. Three estimates were received after the notice of intention: E&D Roofing in the sum of £32,040.00 for much more extensive works (and an additional sum for scaffolding) as appears on page 256; Kingsmead Roofing; and Ferndale Roofing (estimates from which are not on the papers).

86. By notice of estimates dated 31 March 2023, Mrs Sharma apparently reduced the scope of the works as had been identified in the E&D Roofing estimate, and stated that estimates had been provided from Kingsmead Roofing (£7,300.00), E&D Roofing (£9,400.00) and Ferndale Roofing (£10,650.00) (page 174).

87. The estimates were said to be supplied only in connection with erection of scaffolding and the roof pediment works. None of the scaffolding estimates at that date has been included in the bundle. The least expensive estimate, from Kingsmead Roofing Limited, was selected and notice of intention to appoint Kingsmead was given. Mrs Sharma invited further observations by 6 May 2023.

88. Mrs Sharma told us that Kingsmead did not respond to the offer of the contract.

89. By a further notice given on 5 June 2023 (page 180), Mrs Sharma asserted that Kingsmead had not responded to LLSL. The contract was therefore proposed to be awarded to E&D Roofing and scaffolders. Further observations were invited again.

90. Two weeks later, on 19 June 2023 Mrs Sharma received a quote for scaffolding from E&D Scaffolding Limited in the sum of £1,500 plus VAT (and subject to a day rate for minor alterations at £75 per man per hour plus VAT) for a six-week period. The estimate was said to be valid for an eight-week working period only, after which the sums would go up by 5% (page 176-177).

91. Two further notices followed the notice of 19 June 2023. The first, dated 5 July 2023 and sent by both post and email, stated that the notice of intention to award the contract to E&D had already been given on 5 June 2025 and reminded leaseholders that the consultation period would end on 11 July 2023. It further stated: "*We confirm that there are likely to be unforeseen works and the anticipated cost per flat is £2,500.00*." No justification for the latter was given. Nothing in the bundle identifies what the £10,000 of additional works were anticipated to be.

92. A final notice that the contract had been awarded to E&D Roofers and Scaffolders was sent, dated 28 July 2023.

93. A further email was then sent, again labelled as a section 20 notice of award of contract, on 25 August 2023. It said that the roofers had found more work that was required, discovered in the course of carrying out the appointed works, which would cost an additional £2,200 plus VAT. The works were said to relate to "*additional areas of the roof that need work to prevent rainwater ingress*" (page 190), and it was said that E&D Roofers had submitted a further estimate. That estimate, at page 192, states the estimate is for as follows:

"**1. *Works to the front pediment***
Works to the front pediment right and left sides only as per estimate dated 6 January 2023
While scaffold is in place we recommend checking the two sides of the main pitch of roof as this could cause water ingress in the future.
Please advise.
Approx cost to carry out these works would be £2,200 plus VAT."

94. Mrs Sharma wrote again on 1 September 2023 to obtain leaseholders' agreement to the unforeseen "*work and costs while the scaffold remains is in place within the next two to three days*".

95. The leaseholders did not respond and so Mrs Sharma gave a further notice of estimates on 8 September 2023 (page 196), with two further estimates, one from E&D Roofers and one from London Roofer Services obtained on 7 September 2023. The works were described in that notice of estimate as:

"*1. Remove both sides of the dormer valley and tiles*
2. Lay a new felt tray and GRP close mitred valley
3. Fit new tiles cut into valley
4. Replace a few tiles around the roof that are broken
5. Re-seal the lead flashing on the back elevation where the sealant is cracked
6. Price includes all materials and labour"

96. That description of works is verbatim London Roofer Services' estimate (page 194).

97. By the 8 September 2023 notice, intention to award the contract to London Roofer Services was given. E&D Roofers were said to have given an estimate of £2,200 plus VAT (no new document is provided that includes this estimate, and it is therefore assumed it is the estimate dated 25 August 2025 on page 192. London Roofer Services was said to have provided an estimate of £1,600 (as per page 194).

98. It was suggested by that notice that there was also a "professional fees" to be charged at 12% - whose and of what was not identified (page 199). The "Budget Cost" schedule provided with the notice (at page 200) appears to include both the £2,200 plus VAT sum from E&D Roofers and

the £1,600 sum for London Roofer Services. The LSL "management fee" added in respect of each is £275 (E&D Roofers) and £1,000 (London Roofer Services). The latter bears no correlation to the 12% referred to. There is no corresponding invoice from LLSL to Mrs Sharma.

99. The 'payments' document at page 126 appears to show payment of invoices to E&D Roofing (£5,400) and E&D Scaffolding (£1,800) on 18 August 2023 and 3 August 2023 respectively, and a further payment to MD McCarthy on 15 September 2023 for £1,600.

100. Further work to the roof was carried out by

101. To total value of the works carried out pursuant to that consultation is accepted to be £8,800. LLSL invoiced Mrs Sharma as follows:

31 March 2023 £250 plus VAT £300 (page 149)

Notice of intention served upon the Leaseholders to comply with consultation requirements England
On account invoice

31 December 2023 £250 plus VAT £300 (page 150)

Management fee for Section 20 quaifying works - Roof repairs to both sides of the main pitch roof
Re-consulation for further unforeseen work now quoted for by E&D roofing contractors
Seeking quotes from alternative contractors for the roof repairs
Sending letters and reminders to the leaseholders
Serving state 1 notice of intention and stage 2 notice of estimates upon the leaseholders
Attendance on notices, emails and letters of the leaseholders to keep them informed
Instruct alternative competitive tenderer London Roofer Services to attend to the repairs as described in their invoice of 27 October 2023
Replies and follow on action thereon and administrating the roof repair works and keeping the leaseholders informed

1 March 2024 £250 plus VAT £300 (page 148)

Management fee for Section 20 quaifying works - Roof repairs to both sides of the main pitch roof
Re-consulation for further unforeseen work now quoted for by E&D roofing contractors
Seeking quotes from alternative contractors for the roof repairs
Sending letters and reminders to the leaseholders
Serving state 1 notice of intention and stage 2 notice of estimates upon the leaseholders
Attendance on notices, emails and letters of the leaseholders to keep them informed
Instruct alternative competitive tenderer London Roofer Services to attend to the repairs as described in their invoice of 27 October 2023
Replies and follow on action thereon and administrating the roof repair works and keeping the leaseholders informed

102. It would seem from those documents, including the fact that the invoice of 31 March 2023 is said to be 'on account' and therefore there ought somewhere to be a balancing payment, that LLSL has invoiced only £600

for the roof works consultation. However, the 'payments' document at pages 126 and 128 shows transfers of £300 on 30 May 2023, and £900 on 28 March 2024.

103. In the year 1 April 2022 – 31 March 2023, £300 was included as section 20 costs for roofing works by Mrs Sharma's accountant (page 44). A further £900 was included in the summary of costs as section 20 costs for roofing works for the year 1 April 2023 – 31 March 2024 (page 38). Both were sent to the Respondent with the service charge demands in the relevant years.

2023 – 2024 roof works decision

104. E&D Roofing and Kingsmead's estimates for the works described by the initial notice were each given before the initial notice was given, in January 2023.

105. The only estimate in the period 11 January 2025 and 31 March 2023 (i.e. the tender period between initial notice and notice of estimates) is that from E&D Roofing which is dated 29 March 2023, for £32,040.00.

106. Mrs Sharma cannot have known the outcome of the tendering process at 31 March 2023, since no estimates for scaffolding had yet been provided.

107. The leaseholders could not have known from that notice of intention what sum was likely to be sought from them, as the estimates were said to be subject to "*VAT, contingency sum together with professional and management fee*". In the schedule accompanying the notice, a surveyors fee of £1,200.00 was added as was LLSL's management fee (£500). VAT of £100.00 was specified but it is unclear in relation to what or whose fees. No section 120 consultation fees were mentioned.

108. There is no indication that a surveyor in fact was appointed. No documents on the bundle demonstrate where the figures in LLSL's schedule come from, or that they have been paid.

109. Kingsmead was the lowest estimate. The period for responses to the notice of estimates was until 6 May 2024. It is unclear at what point Mrs Sharma contacted Kingsmead to indicate that she intended to retain it. The only evidence in the bundle is that she had received no response on 6 June 2023, some six months after the estimate was given.

110. It then took a further six weeks to award the contract to E&D Roofers, in the course of which Mrs Sharma asserted "*unforeseen works and the anticipated cost per flat is £2,500.00*" had been identified as likely. There is nothing in the papers that explains that requirement, nor the figure of £10,000. It is difficult to see how any such works had been identified as no-one had yet started any work at that date. If that was

intended to be for the scaffolding, the sum was four times the indicated amount. We cannot identify that an additional £10,000 was demanded nor spent.

111. Thereafter the additional £2,200 plus VAT roof works E&D Roofers identified as required while 'on the job' then turned into another section 20 process with more estimates in which the contract was eventually awarded to London Roofer Services who were paid £1,600 in September 2023. It was in this further section 20 process that on 25 August 2023 Mrs Sharma purported to add another 12% for "professional fees", although calculated on the schedule these amounted to another £1,000 plus VAT for LSL. That latter is obviously very substantially more 12% of the £1,600 cost of the works, and by selecting London Roofer Services as against E&D Roofers (who were, of course, already on site and undertaking works), Mrs Sharma not only delayed the works being carried out for that they were not completed until September 2023, but the leaseholders ended up saving practically nothing in the outcome – the schedule provided that the management fee if the contract was awarded to E&D Roofers was to be £275.00 plus VAT, so a total of £2,970.00, versus the £2,800 total for London Roofer Services with the higher LLSL management fee. The schedule on page 200 is also highly questionable in the way it is broken down, and in which it is said that the same works will require a contingency fee with one contractor but not the other.

112. Alike with the previous section, we find that Mrs Sharma's process in respect of the roofing works was not reasonable for all of the reasons identified – on the contrary, again it is bewildering and we cannot ascertain the logic behind it. The only person who appears to have benefitted from the consultation upon consultation approach is LLSL. The section 20 'consultation' appears again to have been contractor-led, without supervision, and the persistent changing of both the sums in question and LLSL's fees on an ongoing basis is neither transparent nor fair.

113. Again, Mrs Sharma provided us with nothing but vague evidence of what her management of the project had in fact been. She said sometimes she visited the site. Sometimes she went with her husband or son, because she did not have the relevant experience. She sometimes took a photo to show something had been done. The process was "*time consuming*".

114. We have no doubt that Mrs Sharma's approach to this set of works was time-consuming, but that is not because the works were difficult or there was a complex coordination of contractors to be arranged. Mrs Sharma has made the process difficult by her own haphazard approach to the consultation and management of the project.

115. Again, we have no evidence of when, how or by whom any such rates as demanded by LLSL either for a standard section 20 consultation process

or for project management were agreed between Mrs Sharma and that entity, so as to ensure that the sums charged were reasonable.

116. Again, we are satisfied on the evidence provided in the letter from Skyline and Woodward that the 'standard' charge for carrying out a section 20 consultation is between £300 - £360 plus VAT, and that the project management element is in the region of 10%. That is in line with our general experience.

117. We would have been inclined to determine that the reasonable fee for the 2023 consultation process was £300 plus VAT for the whole of the consultation(s) so-called, consistently with above. We also would have been inclined towards7% for "project management", on the same basis. However, as set out above, we consider *Triplerose v Bowles* inhibits our ability to find any other sum than that offered by the Respondent in his statement of case payable.

118. Therefore, we find £350 plus VAT payable for the section 20 consultation process, and 10% of the total contract sum of £8,800 payable for LLDL's project management of the works. The reasonable sum payable by the Respondent is therefore £325.00.

Application under s.20C of the Act and paragraph 5A of schedule 11 to the Commonhold and Leasehold Reform Act 2002

119. In the statement of case of the Respondent dated 20 March 2025, he applies for an order under section 20C of the 1985 Act and paragraph 5A of schedule 11 to the Commonhold and Leasehold Reform Act 2002.

120. Mrs Sharma stated, in her witness statement provided in reply on 31 March 2025, that she seeks the Landlord's costs in the application. The sums are set out a page 127, and amount to £2,500 (20 hours at an hourly rate of £125 – it is not identified where that rate comes from).

121. We find that, in light of our decisions above, it is just and for an order to be made under section 20C of the 1985 Act, so that the Landlord may not pass any of its costs incurred in connection with these proceedings before the Tribunal through the service charge. We further make an order pursuant to paragraph 5A of schedule 11 of the Commonhold and Leasehold Reform Act 2002 that the Landlord is not entitled to recover any costs of these proceedings as an administration charge.

122. It would not be fair and just for the Respondent or other leaseholders to pay any of the charges, given that we have found that the process by which the management fee was set is unidentifiable on the evidence we have been provided, and the same applies as regards the process of the section 20 consultation(s), and that in any event the sums are not reasonable in amount. We found in the Respondent's favour on all

points, and Mrs Sharma could have taken up the Respondent's reasonable offer in his statement of case dated

Conclusion

123. Mrs Sharma told us that she had offered not to oppose an application for the tenants to take the right to manage when the Respondent acquired the lease in 2017. She told us she remained hopeful that the leaseholders would seek the right to manage. She has no appetite to get into a 'triangle' with independent managing agents.

124. This does not appear to be realistic. It seems to us very unlikely that the leaseholders, all of whom are non-resident and sublet, would find the prospect of managing the property attractive.

125. The obligation of Mrs Sharma to comply with the lease and charge variable service charges in connection with her obligations is at all times constrained by reasonableness. In order to demonstrate that something is reasonable, it is imperative that there is an identifiable process in which consideration of whether a particular step, process or cost to be incurred is reasonable is made. The landlord must be aware that in taking any action or incurring any sums it is, in effect, spending the leaseholders' money. It has a responsibility to the leaseholders to consider whether the works or sums are justified, in the same way as it would consider those matters if it was spending its own money. Transparency, particularly in a case in which the managing agent and the landlord and the managing agent are one and the same person, is paramount.

126. That basic process and cross-check is absent in this case. It seems to us that Mrs Sharma, as the landlord, would be well-advised to consider appointing professional managing agents willing and able to undertake the management of the property at market rates and with checks and balances in place, rather than suffer the personal stress she appears to encounter in being the manager of it herself (as the managing agent). It is that which appears to have obscured her ability to take an objective view of what is required and what is a reasonable sum to demand for the compliance with the landlord's obligations.

Name: Judge N Carr **Date:** 8 September 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).