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FIRST-TIER TRIBUNAL
PROPERTY CHAMBER
(RESIDENTIAL PROPERTY)

Case reference	**:**	**LON/OOAH/LSC/2024/0682**
Property	**:**	**Flat 17 Oakfield Court, 252 Pampisford Road, South Croydon, Surrey CR2 6DD**
Applicant	**:**	**Mr Gary Sharpe**
Representative	**:**	**None**
Respondent	**:**	**Oakfield Court (Freehold) Ltd**
Representative	**:**	**Mr Jackson (counsel)**
Type of application	**:**	**For the determination of the liability to pay and reasonableness of service charges under section 27A of the Landlord and Tenant Act 1985**
Tribunal members	**:**	**Judge Moate, Mr John Naylor (FRICS)**
Date of decision	**:**	**05 September 2025**

DECISION

Decisions of the tribunal

(1) The Tribunal makes the following determinations as set out under the various headings in this Decision:

- **Item 1** – no order (this item was withdrawn by the Applicant)
- **Item 2** – the service charges for lift maintenance are payable under the terms of the Lease
- **Item 3** – the building insurance premiums for the years 2015-2024 as set out in paragraph 26 below are reasonably incurred. The Applicant is responsible for 1/20th. No order on the payability of the sum of £660 for directors' and officers' liability insurance because this was not within the scope of the issues identified by Judge Korn.
- **Item 4** – the entryphone charges for 2020-2025 in the sum of £384 per year (for the whole block) are reasonably incurred. The Applicant is responsible for 1/20th.
- **Item 5** – no order as this falls outside the jurisdiction of the Tribunal
- **Item 6** – no order as this falls outside the jurisdiction of the Tribunal
- **Item 7** – no order as this falls outside the jurisdiction of the Tribunal
- **Item 8** – the sum of £478.02 per annum for bin hire (for the whole block) is reasonably incurred. The Applicant is responsible for 1/20th.
- **Item 9** – the amount reasonably incurred for accountancy fees in 2023 is £1080 (not £1,500 as demanded by the Respondent). The amount reasonably incurred in 2024 is £624. The Applicant is responsible for 1/20th of those amounts.
- **Item 10** – the service charges for management fees in the years 2016-2023 as set out in paragraph 64 below are reasonably incurred. The Applicant is responsible for 1/20th.
- **Item 11** –the service charge for garden maintenance in the years 2016-2023 as set out in paragraph 69 below is reasonably incurred. The Applicant is responsible for 1/20th.
- **Item 12** – the 2024 budgeted sum of £480 for service charges in respect of company secretarial charges is reasonable. The Applicant is responsible for 1/20th.

(2) The Tribunal does not order the Respondent to refund any fees paid by the Applicant.

(3) The Tribunal makes an order under section 20C of the 1985 Act and under para. 5A of Sch 11 to the 2002 Act, so that 20% of the Respondent's costs are not to be regarded as relevant costs to be taken into account in determining the amount of any service or administration charge payable by the Applicant.

The application

1. The Applicant seeks a determination pursuant to s.27A of the Landlord and Tenant Act 1985 ("the 1985 Act") and Schedule 11 to the Commonhold and Leasehold Reform Act 2002 ("the 2002 Act") as to the amount of service charges and administration charges payable by the Applicant in respect of the service charge years 2016-2024.

The hearing

2. The hearing took place on 18 August 2025. The Applicant, Mr Sharpe, appeared in person at the hearing and the Respondent was represented by Mr Jackson of counsel.

The background

3. The property which is the subject of this application is a second floor two-bedroom purpose built flat.

4. Neither party requested an inspection and the Tribunal did not consider that one was necessary, nor would it have been proportionate to the issues in dispute.

5. The Applicant holds a long lease of the property which requires the landlord to provide services and the tenant to contribute towards their costs by way of a variable service charge. The specific provisions of the lease and will be referred to below, where appropriate.

The issues

6. At the start of the hearing, the Tribunal asked the parties to identify any documents upon which they sought to rely which were not in the main bundle.

7. Mr Sharpe was concerned that the Respondent had filed a late addendum bundle on 11 August 2025 which included numerous additional documents including the Respondent's skeleton argument and the third witness statement of Mr Turton, for which there was no permission.

8. Mr Jackson submitted that the Respondent had recently changed counsel and that he had taken the precautionary approach of providing documentary evidence in relation to earlier issues raised by the Applicant, but which were outside the scope of the specific items of challenge defined by Judge Korn on 06 May 2025. He submitted that if the Tribunal was limiting the issues to those defined by Judge Korn, he

did not need to rely on the supplementary bundle or the third witness statement of Mr Turton.

9. The Tribunal confirmed that it intended to consider only the specific items of challenge set out at recital 6 of the Order of Judge Korn; the parties both agreed with this approach. **Accordingly, the Tribunal did not need to deal with any application to admit late evidence and the supplementary bundle and the third witness statement of Mr Turton were excluded by consent.**

10. The Tribunal noted its concern that it had been sent two bundles amounting to 1,893 pages, much of which was unnecessary. The Tribunal queried the inclusion of the first and second versions of Scott Schedules (running to 378 pages) and Mr Jackson conceded that these early schedules were not relevant.

11. The Tribunal asked Mr Sharpe if he had been able to consider Mr Jackson's skeleton argument dated 11 August 2025. The Applicant said that he had looked through it but not read it in detail. The Tribunal allowed some time for Mr Sharpe to read the skeleton argument.

12. Mr Jackson confirmed that he was not pursuing the argument set out in paragraph 19 of his skeleton argument re debarring and laches. He further confirmed that he did not intend to cross-examine Mr Sharpe. Mr Sharpe said he might want to cross-examine Mr Turton but would like to consider this on an issue-by-issue basis. Mr Jackson agreed with this approach, as did the tribunal.

13. Following a short adjournment, the parties identified the relevant issues for determination as follows (taken from recital 6 of the order of Judge Korn and numbered 1-12 by the Tribunal in consultation with the parties at the start of the hearing), the years of challenge being 2015/16 to 2024/25 inclusive, with any challenge in respect of 2024/25 being to the estimated charges in that year:

    1) Those sums demanded by way of demands which, according to the Applicant, were not in the correct format; [NOTE: the Applicant to specify which demands and what he considers is wrong with them];

    2) Lift maintenance costs in each year, the Applicant's basis of challenge being that they are not recoverable under the terms of his lease;

    3) Building insurance premiums in each year, on the basis that the insurance policy appears not to cover the garages and that the Applicant believes the premiums to be too high just for the flats;

    4) Entryphone charges in each year, on the basis that the annual charge is too high for maintenance; [NOTE: if as was suggested at the CMH

the charge is for rental costs, the Applicant reserves the right to challenge the reasonableness of the rental costs];

5) The 'brought forward' amount of £900 (or thereabouts) in respect of (probably) the 2021/22 service charge year; [NOTE: there was insufficient time to check the exact details at the CMH];

6) Any penalty charges levied as a consequence of the Applicant failing to pay the 'brought forward' amount referred to immediately above;

7) The administrative fees listed on pages 45 and 46 of the CMH hearing bundle (being two sums of £210, one of £72 and one of £60);

8) 'Rubbish and car park' charges in each year, the Applicant arguing that these issues should be dealt with by the local authority at no extra cost to Council Tax payers;

9) Accountancy fees for the years from and including 2022/23, on the basis that they rose sharply in 2022/23 and then were kept at a similar level thereafter;

10) Management fees in each year, the Applicant stating that the management has been sub-standard and/or that specific management responsibilities have not been fulfilled;

11) Garden maintenance charges for 2015/16 and 2016/17 and all other years where those charges have been high, the Applicant to clarify which other years if any he is challenging and why he considers the charges to be too high; and

12) Company secretarial charges for those years where the Applicant considers them to be too high, the Applicant to clarify which years he is challenging and why he considers the charges to be too high.

14. Having heard evidence and submissions from the parties and considered the documents referred to by the parties, the Tribunal has made determinations on the various issues as follows.

(Item 1) Those sums demanded by way of demands which, according to the Applicant, were not in the correct format

15. Judge Korn's order required the Applicant to specify which demands he was referring to and what he considered was wrong with them. At the hearing, Mr Sharpe accepted that he had not specified which demands he was referring to. He accepted he had received the demands now and was no longer pursuing an argument that they were not in the correct format**. The Tribunal did not therefore need to determine issue 1) as this was withdrawn by the Applicant.**

(Item 2) The payability of lift maintenance costs in each year, the Applicant's basis of challenge being that they are not recoverable under the terms of his lease

16. Mr Sharpe explained that the lift was in the communal part of the building, it was small, could carry only 2 people and was seldom used. He confirmed that the Property (Flat 17) was on the third floor and that the lift served all floors. In the alternative there were stairs to access the Property.

17. Mr Sharpe submitted that service charges with respect to the lift were not included within the terms of the Lease. He did not refer the Tribunal to any part of the Lease or any legal authority for this contention.

18. Mr Jackson submitted that the lift was covered by the terms of the Lease and referred the Tribunal to the following clauses:

3 (A) (a) The Lessee hereby covenants with the Lessor that he will pay to the Lessor within fourteen days of demand being made an annual service charge at such intervals and in such instalments as the Lessor may from time to time determine being one equal twentieth (1/20th) share of the costs and expenses (determined pursuant to paragraph (B) of this Clause)expected to be incurred by the Lessor in the ensuing year of and incidental to:-

(i) the performance and observance of its obligations contained in the Fourth Schedule hereto [497]

THE FOURTH SCHEDULE above referred to

Covenants by the Lessor

1. That the Lessor will keep the premises properly supported and protected by the Main Structures

2. That the Lessor will keep the Main Structures properly repaired supported maintained and reconstructed [510]

THE SECOND SCHEDULE above referred to

The Main Structures

The whole of the Buildings including the main walls foundations and roofs thereof and all appurtenances thereof comprising flats erected upon the Estate and the internal structural walls/the concrete raft separating the flats horizontally and the other common parts thereof but excluding therefrom those parts of the interior which consist of

separate flats such flats being taken to include (i) the tiling and floorboards or other surfaces and joists on the floors (ii) the glass in the windows (iii) the window frames (iv) all doors and door frames (v) the plaster on the ceiling and walls and (vi) the pipes wires and drains solely serving each individual flat [508]

19. Mr Jackson argued that the lift fell within the definition of "appurtenances"; he did not have any legal authority to support his argument.

20. Mr Sharpe agreed that if the lift was included within the service charge provisions in the Lease it was payable, as was the insurance in respect of the lift.

The tribunal's decision

21. The Tribunal determines that service charges for lift are payable under the terms of the Lease.

Reasons for the tribunal's decision

22. Guidance on the interpretation of leases was given by the Supreme Court in *Arnold v Britton* [2015] UKSC 36; [2015] 2 WLR 1593. In particular, the Tribunal should consider the intention of the parties when drawing up the Lease, the overall purpose of clause 3 and the Second and Fourth schedules and commercial common sense (per Lord Neuberger in paragraph 15 of that decision). Interpreting a provision involves identifying what the parties meant through the eyes of a reasonable reader and, save perhaps in a very unusual case, that meaning is most obviously to be gleaned from the language of the provisions.

23. Neither party brought any authority for the proposition that the lift was or was not included in the term "appurtenances" referred to under "The main structures" in the Second Schedule. The natural meaning of "appurtenance" in the context of property is a less significant but nevertheless inherent part of the building which passes when the title is transferred (*Collins English Dictionary, Third Edition*, p74). Given that the lift is physically attached to and is an inherent part of the common parts of the building, serving all floors, the Tribunal finds that the reasonable reader would consider the lift to fall within "appurtenances" under the "main structures" of the buildings in Second Schedule of the Lease. For such a key part of the building not to be included, it would have needed to be expressly excluded in the same way that the separate flats are excluded.

24. It follows that lift maintenance falls within the lessor's maintenance and repair covenants in Fourth Schedule and under the lessee's service

charge covenant at Clause 3. Accordingly, the service charges for lift maintenance are payable under the terms of the Lease.

(Item 3) Service charge item & amount claimed for building insurance premiums in each year, on the basis that the insurance policy appears not to cover the garages and that the Applicant believes the premiums to be too high just for the flats

25. Mr Sharpe submitted that the "insurance policy" appeared not to cover the garages as it just referred to "Flats 1-20" and that it was too high for just the flats. He referred to the insurance document from the insurance broker St Giles date stamped 22 September 2016 with insurance cover from AXA insurance [671]. He said he had not seen each year's insurance document and he had not seen all the invoices for insurance but that the cover document did not refer to specifically to the garages.

26. The parties agreed that the building insurance premiums are as follows:

- 2015: £3,089.00
- 2016: £4,055.80
- 2017: £4,772.58
- 2018: £5,632.58
- 2019: £6,838.00
- 2020: £7,386.05
- 2021: £6,756.92
- 2022: £8,449.22
- 2023: £8,245.00
- 2024: £8,485.00

27. Mr Sharpe did not have any alternative insurance quotes and did not suggest what he considered to be a reasonable amount to pay for insurance with or without the inclusion of the garages. He said it was difficult for him to provide a comparative quote when he did not know what was covered in the AXA insurance document.

28. Mr Sharpe further submitted that Invoice No 90521, dated 14 April 2017 included the sum of £660 for directors' and officers' liability insurance but the Lease does not mention or agree to leaseholders contributing to this. He queried the payability of this sum.

29. Mr Jackson confirmed that the insurance premium amounts listed for the years 2015-2024 in the Scott Schedule at [390] (as set out above) were correct. He responded that St Giles had confirmed that the garages were included under the policy, however, he did not have any written confirmation from St Giles in support of that contention. He submitted that the insurance policy itself also showed that the garages were included but the policy was within the excluded supplementary bundle.

Mr Jackson asked for further time over the short adjournment to take further instructions and/or produce these documents.

30. After the short adjournment Mr Jackson submitted that he did not have any documentary evidence from St Giles to demonstrate that the garages were included within the policy. He read from the insurance policy document dated 2022, version 1, which the Respondent had allegedly emailed to the Tribunal and the Applicant during the break (but which has not been received by the Tribunal), which said words to the effect that: "buildings included structures at the premises such as outbuildings, . . . canopies, temporary buildings or conveniences". The word "garages" did not appear within the definition.

31. As to the challenge in respect of the payability of the sum of £660 for directors' and officers' liability insurance, Mr Jackson submitted that this did not fall within the scope of the specific items identified for determination by Judge Korn.

The tribunal's decision

32. The Tribunal determines that the building insurance premiums for the years 2015-2024 are reasonably incurred.

33. The Tribunal makes no order on the payability of the sum of £660 for directors' and officers' liability insurance.

Reasons for the tribunal's decision

34. The Tribunal was not impressed by the parties' lack of supporting evidence on this issue, particularly as it was flagged by Judge Korn as an item in dispute.

35. The Respondent did not disclose the insurance policy documentation until after the lunch break and did not have any evidence from St Giles as to the alleged inclusion of the garages. Even when taking into account the late disclosed insurance policy, which referred to the year 2022 only, it was still not clear whether the garages were included under the insurance as they were not referred to specifically.

36. However, the Applicant did not produce any evidence to show what a reasonable premium would be, with or without the garages, nor did he suggest a reasonable alternative figure. In the circumstances, the Applicant was unable to make out a prima facie case that the insurance charge was unreasonable and there was no basis upon which the Tribunal could make such a finding.

37. As to the payability of the sum of £660 for directors' and officers' liability insurance, the Tribunal found that this was outside the scope of the specific items for determination as defined by Judge Korn.

(Item 4) Entryphone charges in each year, on the basis that the annual charge is too high for maintenance

38. Mr Sharpe submitted that the annual entryphone charge of £384 per year (for the whole block) for the years 2020-2025 was too high and that it would be cheaper to pay for individual call-outs at £95 each. He said he was not sure whether the amount paid included rental but that if it did, the landlord should have purchased an entryphone instead as this would be cheaper. He did not have any documentation to support either contention but asked the Tribunal to give a judgment based on his oral submission. The Tribunal asked if the Applicant had taken account of the capital cost of supply and installation which was included in the rental costs and Mr Sharpe said that he had not.

39. The Respondent contended that there was no evidence to show the entryphone charge was too high. In response to the argument that the landlord should have purchased rather than rented the entryphone system, Mr Jackson pointed to the Respondent's enquiries of The Entryphone Co Ltd as to the cost of purchasing an entryphone system at [1077] of the bundle, which was £6,875.90 plus VAT. He submitted that this was significantly higher than the rental fee and did not include any service/call out costs. The cost per leaseholder for the entryphone each year amounted to £19.20 per year.

The tribunal's decision

40. The Tribunal determines that the entryphone charges for 2020-2025 in the sum of £384 per year (for the whole block) are reasonably incurred.

Reasons for the tribunal's decision

41. The Tribunal did not accept the Applicant's argument that it would have been cheaper for the landlord to purchase an entryphone instead of paying a rental fee; this assertion was unsubstantiated and contradicted by the quote from The Entryphone Co Ltd. The Tribunal noted that the cost of £19.20 per year per leaseholder for the entryphone system was relatively low. In any event, the landlord is not required to select the cheapest option so long as the chosen option is reasonable.

(Item 5) The 'brought forward' amount of circa £900 in respect of the 2021/22 service charge year

42. Mr Sharpe submitted that the sum of £901.39 referenced "previous agent balance" which appeared at [1360] of the bundle was not payable as it was not clear and he did not know how it had arisen.

43. Mr Jackson contended that this was a debt claim which was not within the scope of s27A application.

The tribunal's decision

44. The Tribunal makes no order on item 5.

Reasons for the tribunal's decision

45. The "previous agent balance" is not a service charge but an accounting issue over which the Tribunal has no jurisdiction.

(Item 6) Any penalty charges levied as a consequence of the Applicant failing to pay the 'brought forward' amount referred to immediately above

46. Mr Sharpe did not refer to this item in the Scott Schedule but said that he wished to challenge the penalty charges anyway. He identified the R&R admin fees of £210 and £60 on an invoice from Rendall and Rittner dated 01/04/25 [1360] which he argued were not payable.

47. Mr Jackson conceded orally that these were not service or administration charges levied by the landlord under the service charge or administrative provisions in the Lease but were charges brought directly against the individual tenant by the management company. As such, they did not fall within the scope of the s27A application.

The tribunal's decision

48. The Tribunal makes no order on item 6.

Reasons for the tribunal's decision

49. The Respondent conceded that these charges are not payable as service or administration charges under the Lease; they are charges over which the Tribunal has no jurisdiction.

(Item 7) The administrative fees listed on pages 45 and 46 of the CMH hearing bundle (being two sums of £210, one of £72 and one of £60)

50. Mr Sharpe agreed that this repeated the sums in item 6.

51. Mr Jackson contended orally that this was a debtors claim which was not within the scope of s27A application and that these fees are not payable as service charges or administration charges under the terms of the Lease.

The tribunal's decision

52. The Tribunal makes no order on item 7.

Reasons for the tribunal's decision

53. This is a debt-related issue over which the Tribunal has no jurisdiction; these fees are not payable as service charges or administration charges under the terms of the Lease.

(Item 8) 'Rubbish and car park' charges in each year, the Applicant arguing that these issues should be dealt with by the local authority at no extra cost to Council Tax payers

54. Mr Sharpe submitted that this item was about two refuse bins which were hired from Croydon Council for the sum of £478.02 per annum. He alleged that these bins could be purchased outright for £190.20 each, so for a one-off payment, the two bins would cost the same price as it costs to hire them for one year. He contended therefore that the hire cost was unreasonable. Mr Sharpe did not know whether the cost included collection, and he did not have any documentary evidence showing the alleged purchase price of the bins.

55. Mr Jackson responded that the cost was £195 per bin [1142] which did not include collection. He contended that the bins would need regular replacement and needed to be a very specific design for council collection, which may not be available on the open market. He refuted the contention that they could be purchased outright for cheaper, over the lifetime of the bin.

The tribunal's decision

56. The Tribunal determines that sum of £478.02 per annum for bin hire (for the whole block) is reasonably incurred.

Reasons for the tribunal's decision

57. The Applicant provided no evidence or alternative quote to show that the refuse bin cost was unreasonable. The Tribunal found that even if it were possible for the landlord to buy their own bins cheaper, as suggested by the Applicant, this did not take into account the argument that the bins need regularly replacing and that a very specific design was needed

which may not be available on the open market. The Tribunal noted that the bin hire cost was relatively low. In any event, the landlord is not required to select the cheapest option so long as the chosen option is reasonable.

(Item 9) Accountancy fees for the years from and including 2022/23, on the basis that they rose sharply in 2022/23 and then were kept at a similar level thereafter

58. Mr Sharpe questioned the rise in accountancy fees from £420 per annum in 2022 to £1,500 in 2023 and £1,320 in 2024 and alleged that that the fees in 2023 and 2024 were not reasonable.

59. Mr Jackson explained that £1,320 for the year 2024 was a budgeted figure and confirmed that the actual figures were as follows:

- 2020: £420
- 2021: £420
- 2022: £420
- 2023: £1500
- 2024: £624

60. Mr Jackson submitted that there was an undercharge of £240 in each of the years 2021 and 2022 (making a total undercharge of £480) which was recovered in 2023, increasing the actual sum due from £600 to £1080. The final sum of £1,500 in 2023 came about owing to a further "accrual" of £420 which could not be explained.

The tribunal's decision

61. The Tribunal determines that the service charge sums reasonably incurred in respect of accountancy fees are £1,080 in 2023 and £624 in 2024. The applicant is responsible for 1/20th of those amounts.

Reasons for the tribunal's decision

62. The Tribunal accepts Mr Jackson's explanation on behalf of the Respondent that there was an increase in accountancy fees in 2023 owing to an undercharge of £240 in each of the years 2021 and 2022, which was recovered in 2023. The service charge payable in respect of accountancy fees for each of the relevant years should have been £660 in 2021, £660 in 2022, £600 in 2023 and £624 in 2024, which the Tribunal found to be a reasonable increase from £420 in 2020.

63. However, the Tribunal does not consider it reasonable to charge an additional £420 in 2023 for an alleged accrual which remains unexplained**.** Because of the undercharging in 2021 and 2022, the

amount reasonably incurred through the service charge for accountancy fees in 2023 is £1080 (not £1,500 as demanded by the Respondent). The amount reasonably incurred in 2024 is the actual figure of £624.

(10) Management fees in each year, the Applicant stating that the management has been sub-standard and/or that specific management responsibilities have not been fulfilled

64. Mr Sharpe argued that there was disrepair at the property and the Managing Agent had not done their job properly. He said the property was not managed well or at all and was "valueless". He relied on the Planned Maintenance Report of Cardoe Martin [1379] which identified that the building would benefit from a programme of external and internal works. Mr Sharpe said he was prepared to pay 75% of what was due but did not provide any rationale for this percentage. Mr Sharpe was unable to identify any individual management item which was inadequate and did not provide any alternative quotes. The management fees challenged (for the whole block) were as follows:

- 2016: £3,000.60
- 2017: £5,001.00
- 2018: £3,202.00
- 2019: £4, 153.60
- 2020: £4,850.20
- 2021: £5,600.00
- 2022: £7,368.22
- 2023: £4,746.00

65. Mr Jackson argued that the Applicant's case was not sufficiently particularized and Mr Sharpe had failed to identify what management was substandard or what management responsibilities had not been fulfilled. In the alternative, he argued that the repair issues went beyond the scope of the specific items in dispute as identified by Judge Korn.

The tribunal's decision

66. The Tribunal determines that the service charges for management fees in the years 2016-2023 as set out above, are reasonably incurred.

Reasons for the tribunal's decision

67. Mr Sharpe was unable to make out a prima facie case that the management fees were unreasonably high. He did not provide sufficient particulars, documentation or other basis for the Tribunal to find the service charge for management fees unreasonable or that the management of the block had been substandard.

68. As to the allegations of disrepair, the Tribunal does not have jurisdiction to determine these save as to equitable set-off, which was not part of the pleaded case. In any event, the future cost of repairs forms part of planned maintenance works which have not yet been actioned and are not due under the service charges.

(11) Garden maintenance charges for 2015/16 and 2016/17 and all other years where those charges have been high, the Applicant to clarify which other years if any he is challenging and why he considers the charges to be too high

69. Mr Sharpe clarified that he was challenging the years 2022 (£6789.68) 2023 (£7277.00) and 2024 (£7411.00) but he was unable to explain, despite the direction of Judge Korn, why he considered the charges too high, other than that they had increased from previous years.

70. Mr Jackson argued that the Applicant's case was not sufficiently particularized and Mr Sharpe had failed to comply with the order of Judge Korn. He argued that the gardening charges had generally risen in line with inflation, noting that inflation in 2022 was 11%.

The tribunal's decision

71. The Tribunal determines that the service charge for garden maintenance in the years 2016-2023 are reasonably incurred.

Reasons for the tribunal's decision

72. Mr Sharpe was unable to make out a prima facie case that the garden maintenance fees were unreasonably high. He did not provide sufficient particulars, comparative documentation or any basis whatsoever for the Tribunal to find the service charge for garden maintenance unreasonable. It is not enough simply to say that the charges have increased, without more.

73. The Tribunal accepts the Respondent's contention that the charges have risen roughly in line with inflation. The charge in from 2017- 2019 was circa £5,900-6,000, with a significant drop in 2020-2021 (2020: £3852.76; 2021: £5573.10) allegedly due to an administrative error. The increase from the 2017-2019 figure to £6,789 in 2022 is in line with the 11% inflation rate at that time and the increases in 2023 and 2024 roughly mirror inflation.

(12) Company secretarial charges for those years where the Applicant considers them to be too high, the Applicant to clarify which years he is challenging and why he considers the charges to be too high.

74. Mr Sharpe clarified that he was challenging the year 2024 because the charges had increased from £0 to £89 to £480. He set out the charges as follows: 2020 (£0.00), 2021 (£0.00), 2022 (£13.00), 2023 (£89.00) and 2024 (£480.00). He was unable to identify where he had drawn these figures from, despite the direction of Judge Korn.

75. Mr Jackson argued that the Applicant's case was not sufficiently particularized and Mr Sharpe had failed to comply with the order of Judge Korn. He submitted that the 2024 figure of £480 was a budgeted as opposed to an actual amount and was in line with the previous budgeted amounts which were £420 in 2020 [466], £300 in 2021 [472], £300 in 2022 [478], £300 in 2023 and £480 in 2024 [489] of which the Applicant would pay one twentieth.

The tribunal's decision

76. The Tribunal determines that the 2024 budgeted sum of £480 for service charges in respect of company secretarial charges is reasonable, of which the Applicant is responsible for one twentieth.

Reasons for the tribunal's decision

77. Mr Sharpe was unable to make out a prima facie case that the budget for company secretarial fees was unreasonably high. He did not provide sufficient particulars, comparative documentation or any basis whatsoever for the Tribunal to find the budgeted service charge for company secretarial charges unreasonable, despite the direction of Judge Korn.

78. The Tribunal accepts the Respondent's contention, based on the budgeted amounts listed in the unaudited service charge accounts from 2020-2022 that the Applicant is comparing actual charges in those years with a budgeted charge in 2024; he is not comparing like with like.

Application under s.20C and refund of fees

79. At the end of the hearing, the Applicant made an application for a refund of the fees that he had paid in respect of the application. Having heard the submissions from the parties and taking into account the determinations above, the Tribunal does not order the Respondent to refund any fees paid by the Applicant. This is because the Application has failed in most respects.

80. In the application form and at the hearing the Applicant applied for an order under section 20C of the 1985 Act and under para. 5A of Sch 11 to the 2002 Act. The Applicant said the Respondent's costs of the litigation should not be passed on to the lessees through the service/administration charge because they were already covered by the

Respondent's insurance, which included legal fees. Mr Jackson responded on behalf of the Respondent that they still had a duty to the insurer as per their contractual terms to recoup costs where possible.

81. In considering whether to make a s20C order, the Tribunal's discretion is wide and unfettered. Although the application has been mostly unsuccessful, the Tribunal finds the Respondent could have narrowed the issues in Item 3 by providing in advance of the hearing the relevant insurance policy and a letter from St Giles confirming the alleged inclusion of the garages, even if this challenge was not ultimately successful. With respect to Item 9, the Respondent could have conceded that £420 was not reasonably incurred on the basis that its origin was untraceable. Furthermore, the Tribunal finds that the Respondent increased costs by producing an unnecessarily large bundle which included several documents which Mr Jackson admitted were redundant.

82. Having heard the submissions from the parties and taking into account the determinations above, the Tribunal determines that it is just and equitable in the circumstances for an order to be made under section 20C of the 1985 Act and under para. 5A of Sch 11 to the 2002 Act, so that 20% of the Respondent's costs are not to be regarded as relevant costs to be taken into account in determining the amount of any service or administration charge payable by the Applicant.

Name: Judge Moate **Date:** 5 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).