FIRST-TIER TRIBUNAL
PROPERTY CHAMBER
(RESIDENTIAL PROPERTY)

Case reference	**:**	**LON/00AP/LSC/2025/0805**
Property	**:**	**Flat 31, Highgate Edge, Great North Road, London N2 0NT**
Applicant	**:**	**James Matthews**
Representative	**:**	**In person**
Respondent	**:**	**Highgate Edge Residents Association Limited**
Representative	**:**	**n/a**
Type of application	**:**	**Determination of the liability to pay and the reasonableness of service charges, s27A Landlord and Tenant Act 1985**
Tribunal members	**:**	**Judge Mark Jones** **Ms Susan Coughlin MCIEH**
Venue	**:**	**10 Alfred Place, London WC1E 7LR**
Date of hearing	**:**	**20 October 2025**
Date of decision	**:**	**20 October 2025**

DECISION

Decisions of the tribunal

(1) The Tribunal determines that the Applicant is not liable to pay service charges in the sum of £860.98 levied by the Respondent's managing agent in June 2023.

(2) The Tribunal directs pursuant to s.20C of the Landlord and Tenant Act 1985, and under paragraph 5A of Schedule 11 to the Commonhold and Leasehold Reform Act 2002 Act that legal costs incurred by the Respondent in respect of this application are not to be included in the amount of any service or administration charge payable by him.

(3) The Tribunal orders the Respondent to reimburse the Applicant's Tribunal fees paid upon making the application, and for the hearing, in the total sum of £341.

The Tribunal's Reasons

The application

1. By application received by the Tribunal on 19 May 2025, the Applicant tenant seeks a determination pursuant to s.27A of the Landlord and Tenant Act 1985 ("***the 1985 Act***") as to liability to pay and reasonableness of service charges, in respect of alleged arrears of service charges claimed in the sum of £1,080.60.

2. The Applicant revised the figure in issue to the lower sum of £860.98 by his written statement dated 19 August 2025, and provided a worked series of calculations explaining the revised figure.

3. The Applicant also seeks an order pursuant to s.20C of the 1985 Act that legal costs incurred by the Respondent are not to be included in the amount of any service charge payable by him, and under paragraph 5A of Schedule 11 to the Commonhold and Leasehold Reform Act 2002 (*"**the 2002 Act**"*) reducing or extinguishing his liability to pay an administration charge in respect of the Respondent's litigation costs.

4. The Tribunal gave directions on 29 May 2025 which identified the issues for determination to include, *inter alia*, as a factual issue, whether the service charge had been administered, historically, on the basis contended by the Applicant and, if so, what the lease of the Property, on proper construction, requires.

The Hearing

5. The application proceeded as a face-to-face hearing on 20 October 2025. The Applicant, Mr Matthews attended in person. The Respondent neither attended by an officer or other person, nor was represented.

6. The Applicant's case was set out in a Statement of Case dated 17 May 2025, augmented by his corrective statement dated 19 August 2025. The relevant documents had been collated into a helpful bundle filed by the Applicant in advance of the hearing, which numbered some 87 pages.

7. In the event, the sums in issue were not disputed by the Respondent. While it did not provide any statement of case, or indeed any evidence, by letter dated 13 October 2025 addressed to the Applicant and copied to the Tribunal, Mr Stephen Wiles of the Respondent's managing agents, Prime Property Management, stated as follows:

   "Your application … is asking for the £860.98 charged to you by Maunder Taylor in 2023 to be removed, along with any charges after that which were applied in advance of the actual expenditure…

   "The HERA company (the Respondent) has agreed to this, and it has agreed to refund the above amounts to you. Since it has conceded your points, HERA sees no purpose in continuing to engage in the case. As a share of freehold company, any work performed on the case is at the expense of the shareholders - the lessees. So to continue to engage with the case would be for the sole purpose of incurring legal fees - no actual progress can be made as all your point have been agreed"

8. Whilst the Tribunal makes it clear that it has read the bundle, the Tribunal does not refer to every one of the documents in detail in this Decision, it being impractical and unnecessary to do so. Where the Tribunal does not refer to specific documents in this Decision, it should not be mistakenly assumed that the Tribunal has ignored or left them out of account.

9. This Decision seeks to focus solely on the key issues. The omission to refer to or make findings about every statement or document mentioned is not a tacit acknowledgement of the accuracy or truth of statements made or documents received. Not all of the various matters mentioned in the bundles or at the hearing require any finding to be made for the purpose of deciding the relevant issues in this application. The Decision is made on the basis of the evidence and arguments the Applicant presented, as clarified by the Tribunal in the hearing, and is necessarily limited by the matters to which the Tribunal was referred.

Background

10. The building comprising Flats 16-39 Highgate Edge, Great North Road, London N2 0NT is a 3-storey purpose-built block of flats, forming part of a two-block estate known as Highgate Edge.

11. Flat 31 Highgate Edge is a studio apartment within the said building.

12. The principal issue upon which the Applicant sought a determination was whether, on a proper construction of his lease of the Property, Flat 31 Highgate Edge, the service charge should be calculated for each block separately, whereas (as he alleges) the Respondent has since around 1992 calculated a single service charge in respect of both blocks comprising Highgate Edge, which has then been divided between the respective flats.

13. The Applicant had, on his case, paid the service charge on the basis he considered the lease to require since 1992, the result of which was that the Respondent considered him to have accrued arrears, clarified to be in the sum of £860.98.

14. The Respondent is the immediate landlord of the Applicant.

15. The Applicant holds his interest in the Property by virtue of a lease dated 14 May 1964 whereby the Property was demised for a term of 99 years less 10 days from 25 March 1962. The Applicant acquired his leasehold interest over 30 years ago.

The Lease Provisions

16. The bundle contains a copy of the Applicant's lease of Flat 31 (pp. 27-44).

17. The Respondent's obligations by way of provision of services, including maintenance, repair, and so on, are defined in clause 4 of the lease, in the sub-clauses thereunder, and in the Fourth Schedule thereto. Clause 5(iv) contains the Respondent's covenant to insure the Building.

18. Paragraph (1) of the recitals to the lease define *"the Building"* as comprising Flats 16 to 39 Highgate Edge, and *"the Mansion"* as the Building, together with the garages, gardens and grounds thereof.

19. The Respondent's repairing and maintenance obligations in clause 4 extend to the Building, as defined, and the costs and expenses defined in the Fourth Schedule relate to the Mansion.

20. Neither the Building nor the Mansion as defined in the lease include the other residential block forming part of the Highgate Edge development, being Flats 1-15.

21. By clause 2(1)(c) of the lease, the Applicant tenant covenanted as follows:

"To pay to the Lessor by way of further rent in respect of each year of the term hereby granted such a sum as shall be equal to (a) the proper proportion attributable to the demised premises of the total cost if any incurred by the Lessor in respect of the common repairs services and matters set out in the Fourth Schedule hereof (or such of them as shall during the period in question have been furnished or maintained as aforesaid) such proper proportion to be ascertained in accordance with Clause 8 hereof…"

22. Clause 8(i) contains a mechanism for determining the proper proportion of expenses payable by way of service charge, attributable to the comparative rateable values of the premises within the Building.

23. Clauses 8(ii) and (iii) then determine the manner of demand and payment in respect of service charges, based upon calculation of sums actually expended.

24. It follows that the lease imposes on the Respondent the repairing and maintenance obligations defined by clause 4 and the Fourth Schedule, which relate to the Building and to the Mansion as defined, and the Applicant bears the concomitant obligation to contribute in a proportionate sum to the expenses thereof by way of service charges. This does not include an obligation to contribute in any way to the repairing and maintenance expenses in respect of the block containing Flats 1-15.

25. The lease does not empower the landlord to send the tenant demands based upon estimated service charges prior to or at the beginning of any particular service charge year. After the end of each year, the landlord's auditor must determine the sums incurred, the proper proportion of which shall be payable by the tenant, save in the event of a delay in making such determination of two months or more after the conclusion of the particular service charge year, whereupon the tenant will be obliged to pay 90% on account of the estimated sum payable, subject to provision for an adjusting payment one way or the other on eventual determination.

The Scope of the Tribunal's Jurisdiction on the Application

26. The Tribunal is asked to determine the reasonableness under s.19 of the 1985 Act, and liability to pay under section 27A of the 1985 Act of service charges demanded in February and June 2023. to 30 September 2024,

and 01 October 2024 to 30 September 2025. As identified, this concerned the sum of 860.98 said to have accrued by way of arrears.

The Law

27. The text of the 1985 Act may be viewed at:

https://www.legislation.gov.uk/ukpga/1985/70/contents

28. An appendix detailing the relevant legal principles appears at the end of this decision.

The Issues

29. The Applicant's evidence was to the effect that, prior to the Respondent assuming responsibility as his landlord in 1992, its predecessor in title calculated service charges for the two blocks within the estate separately.

30. Upon acquiring its interest in 1992, the Respondent had taken to calculating service charges for both blocks together, before dividing them proportionately between the various flats within both blocks. This, he contended, was contrary to the terms of his lease, analysed above.

31. This method of calculation, in breach of the strict terms of the lease, had led to the unwarranted demand for alleged arrears of £860.98.

32. As explained in §7 of this decision, above, by the letter written on the Respondent's behalf dated 13 October 2025, every point made by the Applicant was conceded.

Decision

33. It follows that we have no hesitation in concluding that the manner in which the disputed service charges had been claimed was indeed erroneous, and that the disputed sum of £860.98 was not payable.

Applications under s.20C and paragraph 5A

34. The Applicant has applied for orders under section 20C of the 1985 Act, and under paragraph 5A of Schedule 11 to the 2002 Act.

35. A Section 20C application is for an order that the whole or part of the costs incurred by the Respondent in connection with these proceedings cannot be added to the Applicant's service charge. A paragraph 5A application is for an order that the whole or part of the costs incurred by

the Respondent in connection with these proceedings cannot be charged to the Applicant as an administration charge under her lease.

36. In this case the Applicant has been entirely successful in relation to the issues for which the Tribunal possesses jurisdiction, which were conceded by the Respondent just one week prior to the hearing.

37. Taking into account our 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. The Tribunal therefore makes an order in favour of the Applicant that none of the costs incurred by the Respondent in connection with these proceedings shall be added to his service charge.

38. For the same reasons, the Tribunal determines that it is just and equitable in the circumstances for an order to be made under paragraph 5A of Schedule 11 to the 2002 Act. The Tribunal therefore makes an order in favour of the Applicant that none of the costs incurred by the Respondent in connection with these proceedings can be charged to the Applicant as an administration charge under the lease.

Reimbursement of Tribunal Fees

39. The Applicant has also applied under paragraph 13(2) of the Tribunal Procedure (First-tier Tribunal) (Property Chamber) Rules 2013 for an order that the Respondent reimburse his application fee of £114.00 and the hearing fee of £227.00.

40. As the Applicant's claim has been successful, we are satisfied that it is appropriate in the circumstances to order the Respondent to reimburse these fees.

Name: Judge Mark Jones **Date:** 20 October 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).

Appendix of relevant legislation

Landlord and Tenant Act 1985 (as amended)

Section 18

(1) In the following provisions of this Act "service charge" means an amount payable by a tenant of a dwelling as part of or in addition to the rent—

(a) which is payable, directly or indirectly, for services, repairs, maintenance , improvements or insurance or the landlord's costs of management, and

(b) the whole or part of which varies or may vary according to the relevant costs.

(2) The relevant costs are the costs or estimated costs incurred or to be incurred by or on behalf of the landlord, or a superior landlord, in connection with the matters for which the service charge is payable.

(3) For this purpose—

(a) "costs" includes overheads, and

(b) costs are relevant costs in relation to a service charge whether they are incurred, or to be incurred, in the period for which the service charge is payable or in an earlier or later period.

Section 19

(1) Relevant costs shall be taken into account in determining the amount of a service charge payable for a period—

(a) only to the extent that they are reasonably incurred, and

(b) where they are incurred on the provision of services or the carrying out of works, only if the services or works are of a reasonable standard; and the amount payable shall be limited accordingly.

(2) Where a service charge is payable before the relevant costs are incurred, no greater amount than is reasonable is so payable, and after the relevant costs have been incurred any necessary adjustment shall be made by repayment, reduction or subsequent charges or otherwise.

Section 27A

(1) An application may be made to the appropriate tribunal for a determination whether a service charge is payable and, if it is, as to— (a) the person by whom it is payable,

(b) the person to whom it is payable,

(c) the amount which is payable,

(d) the date at or by which it is payable, and

(e) the manner in which it is payable.

(2) Subsection (1) applies whether or not any payment has been made.

(3) An application may also be made to the appropriate tribunal for a determination whether, if costs were incurred for services, repairs, maintenance, improvements, insurance or management of any specified description, a service charge would be payable for the costs and, if it would, as to—

(a) the person by whom it would be payable,

(b) the person to whom it would be payable,

(c) the amount which would be payable,

(d) the date at or by which it would be payable, and

(e) the manner in which it would be payable.

(4) No application under subsection (1) or (3) may be made in respect of a matter which—

(a) has been agreed or admitted by the tenant,

(b) has been, or is to be, referred to arbitration pursuant to a post-dispute arbitration agreement to which the tenant is a party,

(c) has been the subject of determination by a court, or

(d) has been the subject of determination by an arbitral tribunal pursuant to a post-dispute arbitration agreement.

(5) But the tenant is not to be taken to have agreed or admitted any matter by reason only of having made any payment.

(6) An agreement by the tenant of a dwelling (other than a post-dispute arbitration agreement) is void in so far as it purports to provide for a determination—

(a) in a particular manner, or

(b) on particular evidence,

of any question which may be the subject of an application under subsection (1) or (3).

(7) The jurisdiction conferred on the appropriate tribunal in respect of any matter by virtue of this section is in addition to any jurisdiction of a court in respect of the matter.

Section 20

(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) 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.

(4) The Secretary of State may by regulations provide that this section applies to a qualifying long term agreement—

(a) if relevant costs incurred under the agreement exceed an appropriate amount, or

(b) if relevant costs incurred under the agreement during a period prescribed by the regulations exceed an appropriate amount.

(5) An appropriate amount is an amount set by regulations made by the Secretary of State; and the regulations may make provision for either or both of the following to be an appropriate amount—

(a) an amount prescribed by, or determined in accordance with, the regulations, and

(b) an amount which results in the relevant contribution of any one or more tenants being an amount prescribed by, or determined in accordance with, the regulations.

(6) Where an appropriate amount is set by virtue of paragraph (a) of subsection (5), the amount of the relevant costs incurred on carrying out the works or under the agreement which may be taken into account in determining the relevant contributions of tenants is limited to the appropriate amount.

(7) Where an appropriate amount is set by virtue of paragraph (b) of that subsection, the amount of the relevant contribution of the tenant, or each of the tenants, whose relevant contribution would otherwise exceed the amount prescribed by, or determined in accordance with, the regulations is limited to the amount so prescribed or determined.

Section 20ZA

(1) Where an application is made to the appropriate tribunal for a determination to dispense with all or any of the consultation requirements in relation to any qualifying works or qualifying long term agreement, the tribunal may make the determination if satisfied that it is reasonable to dispense with the requirements.

(2) In section 20 and this section—

"qualifying works" means works on a building or any other premises, and "qualifying long term agreement" means (subject to subsection (3)) an agreement entered into, by or on behalf of the landlord or a superior landlord, for a term of more than twelve months.

(3) The Secretary of State may by regulations provide that an agreement is not a qualifying long term agreement—

(a) if it is an agreement of a description prescribed by the regulations, or

(b) in any circumstances so prescribed.

(4) In section 20 and this section "the consultation requirements" means requirements prescribed by regulations made by the Secretary of State.

(5) Regulations under subsection (4) may in particular include provision requiring the landlord—

(a) to provide details of proposed works or agreements to tenants or the recognised tenants' association representing them,

(b) to obtain estimates for proposed works or agreements,

(c) to invite tenants or the recognised tenants' association to propose the names of persons from whom the landlord should try to obtain other estimates,

(d) to have regard to observations made by tenants or the recognised tenants' association in relation to proposed works or agreements and estimates, and

(e) to give reasons in prescribed circumstances for carrying out works or entering into agreements.

(6) Regulations under section 20 or this section—

(a) may make provision generally or only in relation to specific cases, and

(b) may make different provision for different purposes.

(7) Regulations under section 20 or this section shall be made by statutory instrument which shall be subject to annulment in pursuance of a resolution of either House of Parliament.

Section 20B

(1) If any of the relevant costs taken into account in determining the amount of any service charge were incurred more than 18 months before a demand for payment of the service charge is served on the tenant, then (subject to subsection (2)), the tenant shall not be liable to pay so much of the service charge as reflects the costs so incurred.

(2) Subsection (1) shall not apply if, within the period of 18 months beginning with the date when the relevant costs in question were incurred, the tenant was notified in writing that those costs had been incurred and that he would subsequently be required under the terms of his lease to contribute to them by the payment of a service charge.

Section 20C

(1) A tenant may make an application for an order that all or any of the costs incurred, or to be incurred, by the landlord in connection with proceedings before a court , residential property tribunal2 or leasehold valuation tribunal or the First-tier Tribunal3 , or the Upper Tribunal4 , or in connection with arbitration proceedings, are not to be regarded as relevant costs to be taken into account in determining the amount of any service charge payable by the tenant or any other person or persons specified in the application.

(2) The application shall be made—

(a) in the case of court proceedings, to the court before which the proceedings are taking place or, if the application is made after the proceedings are concluded, to the county court ;

(aa) in the case of proceedings before a residential property tribunal, to a leasehold valuation tribunal;

(b) in the case of proceedings before a leasehold valuation tribunal, to the tribunal before which the proceedings are taking place or, if the application is made after the proceedings are concluded, to any leasehold valuation tribunal;

(ba) in the case of proceedings before the First-tier Tribunal, to the tribunal;

(c) in the case of proceedings before the Upper Tribunal4 , to the tribunal;

(d) in the case of arbitration proceedings, to the arbitral tribunal or, if the application is made after the proceedings are concluded, to the county court.

(3) The court or tribunal to which the application is made may make such order on the application as it considers just and equitable in the circumstances.

Commonhold and Leasehold Reform Act 2002

Schedule 11, paragraph 1

(1) In this Part of this Schedule "administration charge" means an amount payable by a tenant of a dwelling as part of or in addition to the rent which is payable, directly or indirectly—

(a) for or in connection with the grant of approvals under his lease, or applications for such approvals,

(b) for or in connection with the provision of information or documents by or on behalf of the landlord or a person who is party to his lease otherwise than as landlord or tenant,

(c) in respect of a failure by the tenant to make a payment by the due date to the landlord or a person who is party to his lease otherwise than as landlord or tenant, or

(d) in connection with a breach (or alleged breach) of a covenant or condition in his lease.

(2) But an amount payable by the tenant of a dwelling the rent of which is registered under Part 4 of the Rent Act 1977 (c. 42) is not an administration charge, unless the amount registered is entered as a variable amount in pursuance of section 71(4) of that Act.

(3) In this Part of this Schedule "variable administration charge" means an administration charge payable by a tenant which is neither—

(a) specified in his lease, nor

(b) calculated in accordance with a formula specified in his lease.

(4) An order amending sub-paragraph (1) may be made by the appropriate national authority.

Schedule 11, paragraph 2

A variable administration charge is payable only to the extent that the amount of the charge is reasonable.

Schedule 11, paragraph 5

(1) An application may be made to the appropriate tribunal for a determination whether an administration charge is payable and, if it is, as to—

(a) the person by whom it is payable,

(b) the person to whom it is payable,

(c) the amount which is payable,

(d) the date at or by which it is payable, and

(e) the manner in which it is payable.

(2) Sub-paragraph (1) applies whether or not any payment has been made.

(3) The jurisdiction conferred on [the appropriate tribunal]1 in respect of any matter by virtue of sub-paragraph (1) is in addition to any jurisdiction of a court in respect of the matter.

(4) No application under sub-paragraph (1) may be made in respect of a matter which—

(a) has been agreed or admitted by the tenant,

(b) has been, or is to be, referred to arbitration pursuant to a post-dispute arbitration agreement to which the tenant is a party,

(c) has been the subject of determination by a court, or

(d) has been the subject of determination by an arbitral tribunal pursuant to a post-dispute arbitration agreement.

(5) But the tenant is not to be taken to have agreed or admitted any matter by reason only of having made any payment.

(6) An agreement by the tenant of a dwelling (other than a post-dispute arbitration agreement) is void in so far as it purports to provide for a determination—

(a) in a particular manner, or

(b) on particular evidence,

of any question which may be the subject matter of an application under sub-paragraph (1).