FIRST-TIER TRIBUNAL
PROPERTY CHAMBER (RESIDENTIAL PROPERTY)

Case references	:	**CAM/22UJ/LIS/2024/0600, CAM/22UJ/LIS/2025/0009 and CAM/22UJ/LSC/2025/0694**
County Court claim numbers	:	**K51YX634 (CAM/22UJ/LIS/2024/0600) K79YX684 (CAM/22UJ/LIS/2025/0009)**
Properties	:	**Flats 2 and 6-13, Allis Mews, Harlow, Essex CM17 9JY**
Original Applicants / s.27A Respondents	:	**1. FIT Nominee Limited** **2. FIT Nominee 2 Limited**
Representative	:	**JB Leitch Limited**
Original Respondents	:	**1. Spencer Richard Cross** **2. Gerard Laurence Hughes**
Representative	:	**Janine Dunn**
s.27A Applicants	:	**L. Baum and J. Savage, R. and A. Osen, R. and C. Butler, S. Cross, L. Cooper, G. Hughes, I. and S. Backhurst, E. Novak, S. Ripsher (the Leaseholders of 2 and 6-13 Allis Mews)**
Representative	:	**Janine Dunn**
Appearances	:	**1. Ms R. Ackerley (for the Original Applicants / s.27A Respondents)** **2. Ms J. Dunn (for the Original Respondents and the s.27A Applicants)**
Type of application	:	**Liability to pay service and administration charges (sections 27A and 20C Landlord and Tenant Act 1985, schedule 11 Commonhold and Leasehold Reform Act 2002)**

Tribunal members	**:**	**Judge M. Hunt** **Mrs S. Redmond MRICS**
Date of hearing	**:**	**9-10 October 2025 (remote hearing) and 12 November 2025 (Tribunal reconvened for further consideration "on the papers")**
Date of decision	**:**	**4 December 2025**

DECISION

Procedural matters

1. All applications for extensions of time to file submissions and evidence are allowed.

2. The application for a stay of proceedings is refused.

3. The application for the Tribunal to determine the liability to pay service charges relating to service charge years later than 2023 alongside the present proceedings is refused. The Applicants must write to the Tribunal within 28 days of receipt of this decision if they wish to pursue applications relating to those service charge years.

Case CAM/22UJ/LIS/2024/0600 – County Court claim K51YX634

4. The service charges demanded from Spencer Richard Cross are payable in the sum demanded, save for the costs on account of the tree survey.

5. The late payment administration charges demanded from Spencer Richard Cross are not payable. For the avoidance of doubt, this refers only to Principle's internal charges relating to recovering the unpaid service charges; it does not refer to interest and Court fees which are matters for the County Court to determine.

6. Only 50% of the Freeholders' costs incurred, or to be incurred, in connection with these First-tier Tribunal proceedings are to be regarded as relevant costs capable of being taken into account in the determination of Spencer Richard Cross's service charges.

7. No part of the Freeholders' costs incurred, or to be incurred, in connection with these First-tier Tribunal proceedings is to be charged to Spencer Richard Cross by way of administration charge.

Case CAM/22UJ/LIS/2025/0009 – County Court claim K79YX684

8. The service charges demanded from Gerard Laurence Hughes are payable in the sum demanded, save the costs on account of the tree survey.

9. The late payment administration charges demanded from Gerard Laurence Hughes are not payable. For the avoidance of doubt, this refers only to Principle's internal charges relating to recovering the unpaid service charges; it does not refer to interest and Court fees which are matters for the County Court to determine.

10. Only 50% of the Freeholders' costs incurred, or to be incurred, in connection with these First-tier Tribunal proceedings are to be regarded as relevant costs capable of being taken into account in the determination of Gerard Laurence Hughes' service charges.

11. No part of the Freeholders' costs incurred, or to be incurred, in connection with these First-tier Tribunal proceedings is to be charged to Gerard Laurence Hughes by way of administration charge.

Case CAM/22UJ/LSC/2025/0694

The following matters were agreed between the parties.

12. The apportionment of the "Group One" service charges for service charge years 2015-2021.

13. The credits allocated to each Leaseholder on account of that agreed apportionment (subject only to any consequential credits that result from this decision).

14. That the costs of a tree replacement in 2020 are not relevant costs to be taken into account in the determination of the Leaseholders' service charges.

15. That the budgeted cost of £1,500 on account of a tree survey in 2023 is not payable by any of the Leaseholders.

The following matters were determined by the Tribunal.

Apportionment [the parties are encouraged to review the full decision for clarification]

16. Each Leaseholder's Service Charge for service charge years 2022 and 2023 is to be established as follows:

    Group One Service Charge

    for the Leaseholders of Flats 6-13 = a + c

    for the Leaseholder of Flat 2 = b + c

    a. the Leaseholders of Flats 6-13 Allis Mews are to each contribute 1/8 of the total costs of the services relevant only to the building within which their Flats are situated;

    b. the Leaseholder of Flat 2 Allis Mews is to pay the entirety of the costs of the services relevant only to the building within which that Flat is situated;

    c. the costs of the services that are shared only between all Leaseholders are to be borne equally by all of them. These "shared" costs are the administration and insurance costs detailed in schedule 1 to the 2022 and 2023 service charge accounts.

    Group Two Service Charge

    for all Leaseholders

    d. The costs of the Accessway are to be borne by the Leaseholders at a rate of 1/24 per parking space each Leaseholder is entitled to occupy.

17. Each Leaseholder's Group Two Service Charge for service charge years 2015 to 2021 is to be established on the same basis as described above (16(d)).

Other Matters

18. In respect of service charge years 2019 - 2023 (inclusive), only 50% of the grounds maintenance costs are relevant costs for the determination of the Leaseholders' service charges.

19. £189.05 of the window cleaning costs charged to the Leaseholders relating to service charge year 2022 is not a relevant cost to be taken into account in the determination of the Leaseholders' service charges.

20. A maximum of £3,851.23 of the cost of drainage works undertaken by Anglia Tree Services Ltd in 2022 is a relevant cost to be taken into account in the determination of the Leaseholders' service charges.

21. Dispensation from consultation is granted in relation to the 2022 drainage works.

22. In accordance with the apportionment determination above, the £547.20 cost of investigating Flat 2's roof leak in 2023 is not a relevant cost to be taken into account in the determination of the service charges of the Leaseholders of Flats 6-13. Due to the operation of section 20B of the Landlord and Tenant Act 1985, the Leaseholder of Flat 2 is not liable to pay it either.

23. Only 75% of Broadlands' annual management fee across all applicable service charge years in dispute is a relevant cost for the purposes of calculating the Leaseholders' service charges.

24. Only 80% of Principle's annual management fee across the years in dispute is a relevant cost for the purposes of calculating the Leaseholders' service charges. For the avoidance of doubt, this does not apply to Principle's one-off "handover" fee or its account preparation fees.

25. Only 50% of Broadlands' "handover" fee is a relevant cost for the purposes of calculating the Leaseholders' service charges.

26. The solicitor advice fee of £480 incurred in 2023 is not a relevant cost for the purposes of calculating the Leaseholders' service charges.

27. The bank charges of £71.10 incurred in 2022 are not a relevant cost for the purposes of calculating the Leaseholders' service charges.

28. None of Principle's late payment administration charges levied against any of the Leaseholders in 2023 are payable.

29. Only 50% of the Freeholders' costs incurred, or to be incurred, in connection with these First-tier Tribunal proceedings are to be regarded as relevant costs capable of being taken into account in the determination of the Leaseholders' service charges.

30. No part of the Freeholders' costs incurred, or to be incurred, in connection with these First-tier Tribunal proceedings is to be charged to the Leaseholders by way of administration charge.

REASONS

Introduction

1. These proceedings concern service and administration charges demanded from the leaseholders of flats at Allis Mews, Harlow, Essex CM17 9JY (I will refer to them as the "Leaseholders" and the "Flats"). The housing development in which the Flats are situated (the "Allis Mews Estate") comprises both leasehold and freehold properties arranged around an access road with car parking spaces (which is known as Allis Mews; I will refer to it as the "Accessway"). Most of the Flats are contained in a building to the South of the Accessway. One of them – Flat 2 – is situated in a building to the North of the Accessway, comprising accommodation spread over the ground- and first-floor, extending over an "undercroft" at ground-floor level (the "Undercroft"). The Undercroft adjoins the Accessway and comprises four car parking spaces.

2. The freeholders of the Flats (the "Freeholders") are responsible for managing the Allis Mews Estate in accordance with a series of leases executed in or around 2003, all in similar (but, importantly, not identical) form. The lease terms provide that the Leaseholders must contribute to the Freeholders' costs of managing the Allis Mews Estate, by way of service charge.

3. Some service charges were not paid, notably "on account" charges demanded relating to the period 1 January – 30 June 2023, together with an outstanding balance from the previous year, related to the "on account" service charges for the period 1 July – 31 December 2022. The Freeholders incurred administration charges seeking payment. As the service and administration charges remained outstanding, they brought proceedings against two Leaseholders (Mr Cross and Mr Hughes) in the County Court. These Leaseholders challenged the service and administration charges demanded from them and the County Court transferred the proceedings to this Tribunal to determine whether they are payable.

4. This process has led to a wider and long-standing dispute between the Freeholders and the Leaseholders coming to the fore. The relationship between the parties appears to have been strained for many years. It is perhaps unfortunate that matters were not referred to the Tribunal until now. As will be explained shortly, the scope of the proceedings has expanded beyond the original County Court claims and now involves all of the Leaseholders.

5. The issues for the Tribunal to decide are solely whether service and administration charges are payable and, if so, in what amount. A good deal of the Leaseholders' concerns relate to alleged breaches of the Freeholders' covenants in the parties' leases. The Leaseholders complain that the Freeholders have failed to fulfil their obligations in various respects, including in relation to the acquisition of the right to manage in 2024. The Tribunal explained to the Leaseholders that it only has jurisdiction to consider the service and administration charges that have been demanded; it cannot order additional works to be done or services to be provided.

6. The Tribunal heard from both parties via their representatives and from a witness from the Freeholders' current managing agent. The proceedings have generated a significant amount of applications, documentation and correspondence. They have also led to a significant amount of discussion between the parties. Despite the relative wide-ranging nature of the matters in dispute, the parties have demonstrated an admirable commitment to compliance with Tribunal directions. Of course, certain matters remained in dispute, but they were narrowed down and focussed thanks to the hard work of each party and their respective representatives, under the Tribunal's direction. Nevertheless, the large amount of documentation that has been produced has not been presented in the most accessible format and was often provided by way of suites of emails rather than concise submissions (as is preferrable). This is of some relevance to the costs of the proceedings as will be explained at the end of this decision. None of this should detract from the fact that the Tribunal is very grateful to all for their professional approach to the proceedings, the provision of evidence and their submissions.

Procedural matters

7. It will be helpful to provide a background of the proceedings to date prior to addressing some specific applications made by the parties.

8. These proceedings began as two County Court claims seeking payment of unpaid service and administration charges. Those charges related to "on account" service charges demanded for the period 1 July 2022 to 30 June 2023. Those two claims were transferred to the Tribunal for it to determine the defendants' liability to pay those charges. They will now be remitted to the County Court. In accordance with the interpretation provisions of Rule 1 of the Tribunal Procedure (First-tier Tribunal) (Property Chamber) Rules 2013 and for ease of reference, the transferred proceedings are referred to as "applications", as they are akin to applications brought under (1) section 27A of the Landlord and Tenant Act 1985 for a determination as to the liability to pay service charges and (2) paragraph 5 of Schedule 11 to the Commonhold and Leasehold Reform Act 2002 for a determination as to the liability

to pay administration charges. I refer to them as the "Original Applications". I refer to the defendants in the County Court claims as the "Original Respondents".

9. One of those two Original Applications was initially due to be heard on 7 May 2025. The response to that application was essentially identical to that presented in the second Original Application. The Original Respondents challenged the service and administration charges on numerous grounds, including due to a long-standing incorrect apportionment of service charges as between the Leaseholders.

10. The hearing was adjourned to allow the Original Applications to be heard together, so as to ensure both Original Respondents were afforded the opportunity to participate effectively in those proceedings. Due to the time it had taken the proceedings to reach a hearing, the "final" Allis Mews Estate expenditure, to which the unpaid "on account" service charges in dispute related, was shortly due to be established by the preparation of year-end accounts. The Original Respondents wished the Tribunal to review their liability to pay those "final" service charges alongside the "on account" charges. That was plainly a sensible course to save what were clearly very closely related matters from appearing before the Tribunal twice, having to be prepared for by the parties twice, and unavoidably involving even further delay.

11. Additionally, all of the Leaseholders had long-standing concerns about the apportionment of service charges, and certain specific service charges from past years, dating back to 2015. Those Leaseholders that were not currently involved in the proceedings wished to be joined in order to have their concerns considered, so far as relevant to them. The Tribunal acquiesced.

12. The Tribunal made directions relating to all of the above, which the parties dutifully respected and for which the Tribunal is very grateful. In summary, not only were the Original Applications listed to be heard together (with appropriate directions), but the scope of the proceedings was extended to assess each Leaseholder's liability to pay the "final" service charges for 2022 and 2023 as well as the "on account" service charges for 1 July 2022 to 30 June 2023. Although related, the challenge to the "final" service charges is a distinct application brought under section 27A of the Landlord and Tenant Act 1985, being heard at the same time as the Original Applications. The other Leaseholders were joined to that also, which I will refer to as the "s.27A Application".

13. Additionally, all Leaseholders sought a determination of their liability to pay service charges for the years 2015-2021. The Tribunal accepted that it would be appropriate to consider that issue on the same occasion. This is because a common thread was

the issue of apportionment. There were a few other complaints about service charges for the years 2015-2021, but they amounted to specific and focused challenges to rather historic individual items of expenditure. The Tribunal felt it could readily determine those issues without the need for a separate hearing and that it would be disproportionate to do otherwise. Of course, each Leaseholder can only bring a claim in respect of a service charge year in relation to which they were liable to pay any part of the service charge for that year (including balancing charge). The Leaseholders also sought a determination of their liability to pay service charges related to years 2024 and 2025. Initially, the Tribunal accepted to determine that issue on the same occasion, for similar reasons.

14. This decision and consequential directions were laid down in an Order dated 17 July 2025. Unfortunately, the Order appears not to have been promulgated. In any event, it was not received by any of the parties. Accordingly, at the hearing, the parties were only in a position to properly address the 2022 and 2023 service and administration charge disputes (being the Original Applications and the s.27A Application).

15. Bearing in mind the proceedings had now progressed twice to hearing, neither the Tribunal nor any of the parties wished to adjourn the matter further. Additionally, just prior to the hearing, the Freeholders conceded that the apportionment of service charges had, as the Leaseholders had submitted since the outset, been incorrect throughout the period from 2015 - 2021. The Freeholders had made adjustments to each Leaseholder's service charge account accordingly, by way of a series of credits. This matter is explained in more detail below.

16. The issue of apportionment had been the main dispute between the parties. Although the remaining issues in respect of service charge years 2015-2021 were relatively focused, the Freeholders had made no written submissions or provided relevant documents or evidence to the Tribunal due to them not having received the Order dated 17 July 2025. Understandably, they did not wish to be prejudiced by that. Furthermore, the parties were confident of agreeing some of those issues between themselves, which the Tribunal naturally encourages.

17. Apart from some specific complaints about certain items of expenditure, it became clear that others were more generalised across every service charge year in dispute. For instance, whether satisfactory (or any) cleaning had taken place, whether management services had been satisfactorily provided, and whether grounds maintenance costs had been properly incurred (the Leaseholders alleging, for instance, that garden areas had been maintained at their cost but for which they were not responsible). In respect of such heads of expenditure, the parties agreed that it would be difficult to produce much truly probative evidence for years up to 2023 as

much time had now elapsed, the managing agent changed in late 2022, its predecessor's recordkeeping had not been impeccable and the information that could be gleaned from invoices was likely to be summary at best. In relation to some issues, they would appear to depend on the correct interpretation of the leases, rather than on any specific evidence.

18. Accordingly, no party wished to return for a hearing on these issues or expend likely disproportionate time and cost on an exhaustive disclosure exercise that may well not yield any real answers to the Leaseholders' concerns. They committed instead to providing the Tribunal with focused written submissions and selected key documents, inviting the Tribunal to make a "broad-brush" assessment of the payability of the service charges relating to these heads of cost, where appropriate. It was agreed that this could, for instance, result in the Tribunal assessing percentage deductions to certain costs, e.g. management fees and/or grounds maintenance costs, to be applied across all relevant service charge years (or a selection of them, if appropriate). The Tribunal was content to proceed on that basis, noting that it would endeavour to resolve the matter as best it could without a further attended hearing. That proved possible; the Tribunal reconvened on 12 November 2025 without the parties present to consider the further written submissions and evidence.

19. As touched on above, in the s.27A Application the Leaseholders sought to dispute service charges related to 2024 and 2025. The Tribunal had originally determined to consider that part of the application also in the context of the present proceedings. However, this was on the basis that the apportionment issue would apply just as much to these years as to the others. Save for that issue, it was unclear to what extent (if any) there was any overlap between the issues raised in relation to service charge years 2015-2023 and these later years. As the apportionment issue appears now to have been settled (and, if not, should easily be able to be agreed in light of the present decision), the Order of 17 July 2025 was not received or acted upon by the parties in advance of the hearing, there was no time at the hearing to explore what further disputes there may be relating to service charge years 2024 and 2025 and the ability to provide useful evidence relating to that period was not as remote as for prior periods, the Tribunal decided that circumstances had materially changed and it would no longer be appropriate to determine matters relating to service charge years 2024 and 2025 alongside the present proceedings. Obviously, this does not prevent any party from pursuing them further, but the Tribunal hopes that the parties can try to work together to avoid that outcome, perhaps using this decision as an indication of where any such disputes might lead. The most sensible approach to the matter was to order the Leaseholders to renew their application for these service charge years, if so minded, after receipt of this decision. The most obvious way to do so would be by presenting a fresh application form limited to these service charge

years. The issues in dispute can then be explained by the Leaseholders and responded to by the Freeholders, with the parties presenting any relevant evidence in the usual way.

20. A final issue that arose due to the above was that the Leaseholders made written submissions relating to administration charges levied against Leaseholders other than the Original Respondents. As the Tribunal had not been presented with the demands or statements of account of those Leaseholders, it had not been aware of this until after the hearing. It noted, however, that it was an obvious issue to consider alongside the Original Applications and s.27A Application as the Leaseholders had been joined to those proceedings and the administration charges were identical. The Freeholders noted the Leaseholders' submissions, but decided not to respond, stating that the administration charges had not been particularised and were not part of the application. It was patently obvious that the Leaseholders were referring to the administration charges levied in 2023 as they were the only ones that had been demanded during the period in dispute. As to the administration charges not being within the scope of the application, the Original Applications specifically included an application under paragraph 5 of Schedule 11 to the Commonhold and Leasehold Reform Act 2002 relating to the 2023 administration charges. The other Leaseholders were joined to that application. The Tribunal decided that the Freeholders had had the opportunity to respond, chose not to, the matter could be fairly determined "on the papers" alongside the others, it was not proportionate to delay matters on that account and that all matters pertaining to service charge years 2015 – 2023 (including administration charges incurred during that period) should be resolved on this occasion. Accordingly it considered that matter also.

21. There were three preliminary applications for the Tribunal to determine at the reconvened hearing on 12 November 2025.

22. The first was the Leaseholders' application to have issues related to service charge years 2024 and 2025 assessed by the Tribunal on this occasion. This arose due to the Tribunal indicating to the parties the approach it was minded to take, as outlined above. For those reasons, as now more fully explained, that application was refused.

23. The second was the Freeholders' application for an extension of time to present its reply to the Leaseholders' written submissions. The parties had made various applications for extensions of time for presenting evidence and submissions in the lead up to the Tribunal reconvening on 12 November 2025. Most were accepted promptly by the Tribunal. The final one was also allowed. For the avoidance of doubt, in case any other such applications were "missed", the Tribunal allows them all and had regard to all documents submitted up until the reconvened hearing.

24. The third and final application was the Leaseholders' application to stay the proceedings to allow further discussion between the parties. The Tribunal refused this application on the basis that the parties have had ample time to undertake whatever discussions they wished to pursue. The timetable for proceedings has been clear since the initial Tribunal hearing in May. The County Court proceedings that were at the origin of these applications date from 2024 and there will be further delay in transferring the proceedings back again. The Tribunal had sufficient information on which to make a fair determination of the issues in dispute and has done so.

Relevant law

25. The Landlord and Tenant Act 1985 provides a statutory framework for the management of service charges imposed by a landlord on a tenant. Section 18 provides a broad definition of "*service charge*" and "*relevant costs*".

26. Section 19 limits the amount of "*relevant costs*" that can be recovered through a service charge, as follows.

> "***19. Limitation of service charges: reasonableness***
>
> *(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*".

27. In relation to "on account" service charges, section 19 (2) provides as follows.

> "*(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*".

28. Section 20B provides that relevant costs that were incurred more than 18 months before any demand for payment are not payable by a tenant, unless the tenant had been put on notice that they would be required to pay those costs in question.

29. Section 27A explains how service charge disputes are to be resolved. It provides as follows, so far as is relevant.

"***27A. Liability to pay services charges: jurisdiction***

(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".

30. The Commonhold and Leasehold Reform Act 2002 provides a similar statutory framework for the management of administration charges imposed on a tenant of a dwelling. The framework is contained in schedule 11 to that Act. Paragraph 1 of the schedule provides a definition of "administration charge", which includes sums payable by a tenant in respect of any failure to make payments to any other party to their lease when they fall due and sums payable in connection with a breach of covenant or condition in their lease.

31. Paragraph 2 is as follows.

"***2. Reasonableness of administration charges***

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

32. Paragraph 5 explains how administration charge disputes are to be resolved. It provides as follows, so far as is relevant.

"***5. Liability to pay administration charges***

(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".

33. Section 20 of the Landlord and Tenant Act 1985, read with the Service Charges (Consultation Requirements) (England) Regulations 2003, provides that in relation to "*qualifying works*" tenants can only be required to contribute up to £250 unless prior consultation is undertaken or dispensation from consultation is granted by this Tribunal.

34. Section 20ZA of the Landlord and Tenant Act 1985 provides a definition of "*qualifying works*" as "*works on a building or any other premises*". It also provides that a Tribunal may dispense with consultation when it is reasonable to do so.

35. Section 20C of the Landlord and Tenant Act 1985 provides that a landlord's costs in connection with legal proceedings, such as the application before this Tribunal, can be excluded from a service charge.

> "***20C. Limitation of service charges: costs of proceedings***
>
> *(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 tribunal or leasehold valuation tribunal or the First-tier Tribunal, or the Upper Tribunal, or in connection with arbitration proceedings, are not to be regarded as relevant costs to be taken into account in determining the amount of any service charge payable by the tenant or any other person or persons specified in the application.*
>
> ...
>
> *(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*".

36. A similar provision in relation to administration charges is found at paragraph 5A of schedule 11 to the Commonhold and Leasehold Reform Act 2002. In relation to both above provisions, the Tribunal is only empowered to make orders in relation to the costs of the proceedings before it.

37. Rule 13(2) of the Tribunal Procedure (First-tier Tribunal) (Property Chamber) Rules 2013 allows the Tribunal to order a party to reimburse another party for any Tribunal fees paid.

38. General contractual law principles apply to the payment of service and administration charges. To the extent that a lease does not require a leaseholder to pay them, they are not obliged to do so.

The leases

39. It will be helpful to explain the salient provisions of the parties' leases. It is usually the case in such situations that the terms of each lease relevant to service charges are identical. That is not the case on the Allis Mews Estate. The lease of Flat 2 (the "Flat 2 Lease") is not identical to the other leases to reflect it being situated in a different building. The distinction between the leases is of major relevance. It will become clear that, as it is in a separate building, the leases contemplate Flat 2 being considered separately from the other Flats. This is an important matter of principle that the parties appear to have overlooked for a lengthy period of time. The rather poor drafting of the leases has not helped. As will become clear, this detail appears to have been the origin of the most significant apportionment issue raised in this case.

40. The leases all define various areas of the Allis Mews Estate. Apart from each Flat, they define the term "Block". Rather counter-intuitively, that description is not of any single "block" of Flats. The definition of "Block" corresponds to an area of land that encompasses several elements. Its definition, read alongside the plan appended to the leases, shows that the "Block" includes two buildings comprising the Flats, the Accessway, Undercroft, various parking spaces laid out around the Accessway and some limited "Communal Areas" (notably a bin store). Confusingly, the written definition of the "Block" refers to "*the building … comprising in total 9 flats*". There is no single building compromising 9 flats: one comprises 8 flats, the other flat (Flat 2) is in a second building in the "Block". In the Flat 2 Lease, an additional definition of the "Building" is included (which corresponds to the separate building that consists of Flat 2). Interestingly, the plan shows various small, specific shapes that are excluded from the "Block"; the Tribunal was informed these correspond to all areas of vegetation and trees, which are not part of the "Block". It was told there were no areas of vegetation within the "Block", which it accepted.

41. The Freeholders covenant to provide certain services to the Leaseholders, which are described in the Fifth and Sixth Schedules to the leases. The Leaseholders covenant to pay the costs of providing those services by way of service charge. The leases provide a definition of three service charges. The first is simply the "Service Charge", defined as "*the total cost of the services as are appropriate to [each Flat] set out or referred to in the Fifth Schedule and in the Sixth Schedule*". This "overall" Service Charge is made up of two parts: the "Group One Service Charge" and the "Group Two Service Charge". The two definitions do not directly relate to each other, nor are the leases consistent in their usage of the terms. However, the Tribunal determined they must be read together. The Leaseholders' covenant is to pay the "Group" service charges (clause 3.1), which clause refers to the Fourth Schedule. The Fourth Schedule

refers simply to the "Service Charge". The definitions of the two "Group" service charges both include the costs outlined in the Fifth Schedule, which are generic descriptions. They each refer to a specific "Part" of the Sixth Schedule: "Block Costs" and "Estate Costs" respectively. The reality therefore is that there is one "overall" Service Charge, which comprises two components. The contents of each is explained below.

42. The Group One Service Charge is payable at a rate of "*1/x where x is the total number of residential properties constructed or to be constructed within the building in which [each Flat] is situated*". Read in context, it is clear that this definition (alongside that of the "Service Charge" referenced above) has been worded specifically in a way to reflect that there are in fact two buildings in the "Block", rather than one. The straightforward interpretation is that the Group One Service Charge payable by the Leaseholder of the separate Flat 2 should address only the costs related to that Flat. So, for instance, if it needs a new roof, that Leaseholder should bear the entire cost themselves as that Flat is the only one in the particular building within which it is situated. The Group One Service Charge payable by the Leaseholders of the other building would be charged to each of them at a rate of 1/8 of the costs related to that building, to reflect the eight Flats within it. That building includes communal areas (entrance, staircases, etc) that Flat 2 does not. Accordingly, the "initial" or "Current Group One Service Charge" foreseen in each lease is different. In 2003, the Leaseholder of Flat 2 was subject to a "Current Group One Service Charge" of £206.25. The other Leaseholders' "Current Group One Service Charge" was £651.30, presumably to reflect the additional costs of maintaining a block of flats as opposed to merely the exterior of a single flat. Those additional costs might include cleaning, maintenance, repairs, electricity, etc. On this basis, it would be wrong to refer to a single "Group One Service Charge" across the Allis Mews Estate. There is one "Group One Service Charge" payable at a rate of 1/8 by the Leaseholders of the eight Flats numbered 6-13 and an entirely separate "Group One Service Charge" payable entirely by the Leaseholder of Flat 2. This is reflected by the important insertion of the term "the Building" in the Fourth Schedule of the Flat 2 Lease, which is absent in the other leases. Similarly, the defined term "the Building" (with a capital "B") is used in the Fifth Schedule of the Flat 2 Lease, which reads simply the "building" in the other leases. I will refer to these as the "Flats 6-13 Group One Service Charge" and the "Flat 2 Group One Service Charge" respectively from now on.

43. Of course, in reality, there are some "shared" costs between the Leaseholders – management/administration and insurance notably. The exact apportionment of these "shared" costs as between the Leaseholders of Flats 6-13 (via the Flats 6-13 Group One Service Charge) and the Leaseholder of Flat 2 (via the Flat 2 Group One Service Charge) is for the Freeholders to determine, acting reasonably. It is what the

definition of the Service Charge means when it refers to the "*costs of the services as are appropriate to [each Flat]*". The Freeholders determine what is "appropriate".

44. The second component of the "overall" Service Charge is the Group Two Service Charge, which is altogether more straightforward. It is payable at a rate of "*1/x where x is the total number of freehold parking spaces and leasehold parking accommodation*" served by the Accessway. The Tribunal was informed that there are 24 such parking spaces on the Allis Mews Estate (it is irrelevant whether in the open air, the Undercroft or in garages), although the lease plans appear to only show 23. It was content to follow the parties' agreement on this matter. The corollary is that, via their Service Charge or rentcharge, all 24 occupants of those parking spaces/garages are expected to contribute in equal proportions to the costs of maintaining the Accessway (i.e. 1/24).

45. As the parties had said they would be able to amicably resolve their dispute about the Group Two Service Charge, but ultimately did not, it was not clear to the Tribunal whether it was just the number of parking spaces that was agreed or also the 1/24 apportionment of the Accessway maintenance costs. Either way, the Tribunal determined that was the correct apportionment. It is expressly recorded in the leases. Paragraphs 1 and 7 of the Fourth Schedule to the leases provide that, where it is "*necessary or equitable*" to do so, the Freeholders can amend the apportionment. However, the Freeholders have neither claimed, nor established, that it has ever been "necessary or equitable" to do so. The Tribunal will refer to this as the "Accessway Service Charge" from now on.

46. As indicated above, there are a number of freehold houses around the Allis Mews Estate that have parking spaces accessed via the Accessway. The freeholders of those houses contribute to the maintenance of the Accessway via rentcharge. The Tribunal had seen the terms of the freeholders' rentcharges. They are expressed in the same way as the equivalent provisions in the leases. Although the Tribunal is not determining those terms and did not hear from any of the freeholders on the matter, there is nothing obviously "different" about how those freeholders should be contributing to the costs of the management and upkeep of the Accessway in comparison to the Leaseholders. The same definition of the "Block" is used. The "Transferor's" (presumably now the Freeholders') covenants relate to undertaking services "within the Block" (or are related to the Accessway, which is within the "Block"). The freeholders are expected to pay the same 1/24 contribution per parking space to the costs of maintaining the Accessway as the Leaseholders. The Tribunal was therefore satisfied that each freeholder's contribution would also be 1/24 of the overall costs of maintaining the Accessway. Therefore, the entirety of the costs of maintaining the Accessway are satisfactorily addressed.

47. There is considerable confusion around how the Allis Mews Estate accounts had been prepared. They have consistently included three "schedules". The first schedule has consistently referred to Flats 6-13. The second schedule referred to the Accessway up until 2022, thereafter to "1 & 2 with Undercroft". The third schedule referred to some freehold houses initially, changing in 2022 to the Accessway. Quite what the second two schedules have actually referred to over the years was unclear, but they appeared to include, if not relate entirely to, Accessway costs. The Tribunal assumed that the accounting "schedules" had initially been set up to reflect the Flats 6-13 Group One Service Charge (schedule 1), the Flat 2 Group One Service Charge (schedule 2) and the Accessway Service Charge (schedule 3). If so, that sensible breakdown appears unfortunately not to have lasted the test of time.

48. The leases provide for the payment of the Service Charge as follows. Firstly, the Freeholders are to estimate their annual expenditure on the Allis Mews Estate. They may augment this estimate by requiring a contribution towards a "reserve fund" to put towards less frequent works when the need arises, such as major repairs and external redecoration. The Freeholders produce an annual budget on this basis. An appropriate proportion of the budgeted costs are allocated to each Leaseholder, who must pay it in two equal half-yearly instalments on 1 January and 1 July in every year. The Tribunal refers to these as "on account" service charges. Although the "overall" Service Charge comprises two components – the Flats 6-13/Flat 2 Group One Service Charge and the Accessway Service Charge – this is not broken down when demands are made of the Leaseholders. They are only asked to pay the consolidated Service Charge. That is not a problem so far as the leases are concerned, but much of the dispute about accounting between the parties would have been avoided (or eased) if the Service Charge had been broken down into its component parts.

49. Originally, the leases provided for the "Service Charge Year" (i.e. the budgetary and accounting year) to be 1 July to 30 June. That has since changed (as permitted by the leases) to 1 January to 31 December, which is not in issue and has been consistent throughout the service charge years in dispute. The payment dates have not changed.

50. The Freeholders are entitled to demand additional service charges "in year" if circumstances reasonably require, which follows the same apportionment principles explained above.

51. At the end of every Service Charge Year, a "Service Charge Adjustment" is made, whereby the Leaseholders are credited with any "excess" for the year (if the costs of the services proved less than budgeted), or are required to pay a "balancing charge" in case the costs exceeded the budget. According to paragraph 5 of the Fourth

Schedule to the leases, a "certificate" provided by the Freeholders will be "conclusive" of the amounts due. No specific formality appears to be required, so the Tribunal accepted that the application of a credit or making of a supplementary demand for a balancing charge would suffice to certify the final service charge due from any Leaseholder for the year in question.

52. Clause 7.11.1 provides that the Leaseholders must pay all service charges demanded "*without set-off or deduction and any concerns of the [Leaseholders] which might otherwise have led to the [Leaseholder] making a set-off or deduction shall be raised as a separate matter*". This is broadly reflected also in clause 7.10.2.2.

53. The Third Schedule to the leases requires the Leaseholders to pay the Freeholders "*on a full indemnity basis all costs and expenses incurred*" in enforcing payment of any service charge.

54. The Fifth Schedule provides that the services to be provided by the Freeholders include:
    a. decoration of the outside of the Flats (noting that only the "Building" is referred to in the Flat 2 Lease, as opposed to the "building comprising the flats within the Block" in the other leases);
    b. structural repairs, including of conduits – downpipes, drains, sewers, etc (noting similar, but careless, drafting referring to the "Building", "Buildings" and "buildings");
    c. maintenance of the Accessway and other areas within the Allis Mews Estate;
    d. repair, decoration and cleaning of common internal areas, including of any electricity supply to those areas (a section that is unsurprisingly entirely absent from the Flat 2 Lease);
    e. maintenance, repair, servicing or renewal of any electronic apparatus (for instance intercom systems);
    f. insurance of the Allis Mews Estate against the usual risks "*in some insurance office of repute and through such agency as the [Freeholders] shall in [their] discretion decide*";
    g. supply of such "*other services*" or "*improvement works additions*" as the Freeholders shall consider necessary to maintain the Flats as "*good class residential flats*".

55. The Fifth Schedule also provides for the Leaseholders to pay the Freeholders' management costs in running the Allis Mews Estate and collecting service charges, including for the preparation of accounts.

56. The Sixth Schedule largely or entirely duplicates, in very summary form, the services and costs referred to in the Fifth Schedule. It seems designed principally to distinguish who should pay for which of those costs and services. The Leaseholders will bear the costs related to the management and upkeep of their Flats and common parts ("Part 1" of the Sixth Schedule), whereas they will share the burden of the Accessway maintenance costs with other freeholders around the Allis Mews Estate that use it ("Part 2"). Both Parts are rather generic, both including reference to general repairs/maintenance, cleaning, insurance, electricity supply and bulb replacement, management, administration and accountancy fees. Reserve funds are also foreseen in each Part. In relation to Part 1 only, to reflect the separate buildings and their nature, the Flat 2 Lease is markedly different to the other leases. All refer to the costs of bin store cleaning and window cleaning, with the leases relating to Flats 6-13 including reference also to the cleaning and maintenance of common areas and fire protection equipment.

57. Once again the Freeholders (acting reasonably) will determine the "appropriate" split of any shared costs between Part 1 and 2, notably of management/administration and insurance.

58. Throughout the period 2015 – 31 August 2022, the Freeholders had appointed Broadlands Estate Management LLP ("Broadlands") to assist with their management of the Allis Mews Estate. They subsequently appointed Principle Estate Management LLP ("Principle").

Issues

59. As explained above, the proceedings have a complex procedural history. The issues in dispute were refined during the course of the hearing. The main issue related to the correct apportionment of service charges, which applies to all service charge years in dispute. The other issues for the Tribunal to determine were identified in a "Scott Schedule" and written submissions, matters having been complicated somewhat by the fact the parties attended the hearing without having received the Tribunal's Order of 17 July 2025. Several of the issues raised applied to multiple service charge years and they will be addressed as explained above, applying a "broad brush" approach where appropriate. Specific additional issues will be addressed for each relevant service charge year.

60. The Tribunal will address the apportionment issue first, followed by the others, roughly grouped into categories of related items. It will deal lastly with the issue of the "on account" service charges, which is of relevance to the County Court claims.

Apportionment – All service charge years in dispute

61. The main issue in dispute was the apportionment of service charges. This issue related to every service charge year in dispute. Just prior to the hearing, the Freeholders admitted that the service charges had been incorrectly apportioned between 2015 and 2021. The basis on which they should have been apportioned in accordance with the leases is recorded above. If the parties' agreement does not reflect that, it does not matter; as it has been agreed, the matter is final and the Tribunal will not interfere.

62. Appropriate adjustments to the Leaseholders' service charge accounts have been made, so far as the Flats 6-13 Group One Service Charge element was concerned. The Tribunal was grateful to the parties for their cooperation. Suffice to record that each of the Leaseholders of Flats 6-13 was credited with around £1,250.

63. As to other apportionment matters, the Freeholders submitted that the Tribunal would not be determining the correct apportionment. That was surprising as it was precisely the main point in dispute. The Tribunal must address it (to the extent the parties disagree about it) as otherwise the dispute will not be resolved. The Tribunal is finally determining all matters related to the Leaseholders' liability to pay service and administration charges for all years between 2015 – 2023. Those matters will be final and will not return to the Tribunal. A service charge is only payable to the extent a party is contractually obliged to pay it. If service charges have been demanded on a demonstrably incorrect apportionment, it is only payable up to the correct proportion. For instance, if the entirety of the Flats 6-13 Group One Service Charge had been demanded in equal shares from only seven of the Leaseholders, each of them would only be obliged to pay up to the 1/8 contribution specified in their lease, not the full 1/7 share demanded. Naturally, the Tribunal has jurisdiction to declare that the "excess" above what the Leaseholders are obliged to contribute is not payable.

64. The Freeholders have not put forward any argument that it has ever been "necessary or equitable" to alter the apportionments specified in the leases. Indeed, for years 2022 and 2023, the Freeholders reverted to what they believe those original apportionments to have been after a period during which they had not been respected.

65. If what the Freeholders meant was that the Tribunal will not be undertaking the precise calculations of each Leaseholder's Service Charge, that is correct (as explained at the hearing). It will lay down principles for the parties to follow; they will perform the calculations.

66. As far as the Flats 6-13/Flat 2 Group One Service Charge component of the "overall" Service Charge was concerned, for years 2015-2021 the parties agreed an appropriate

apportionment; correlating service charge credits were also agreed. In relation to service charge years 2022-2023, the situation was initially unclear. The Freeholders, firstly, said the apportionments were "no longer in issue". The Leaseholders submitted that the corresponding credits were still awaited. The Freeholders reverted to say that the apportionment was "correct" and that no further credits were required. Since the hearing, the Leaseholders maintain that agreement has been reached but not implemented. The Freeholders maintain that no further adjustments are required. The Tribunal did not consider those submissions, nor were they likely to be relevant. This is because the Tribunal does not believe that either party has properly understood the leases. However, the exchanges made it abundantly clear that the issue of apportionment for service charge years 2022 and 2023 remained very much in dispute.

67. The Tribunal therefore had to determine the correct apportionment. It has explained what that is above. The Leaseholders are wrong to submit that there is a single "Group One Allis Mews Service Charge" payable at a rate of 1/9 by each Leaseholder on the Allis Mews Estate. The Leaseholders of Flats 6-13 are only obliged to contribute 1/8 each towards the Flats 6-13 Group One Service Charge. The Leaseholder of Flat 2 is only obliged to pay the Flat 2 Group One Service Charge. Costs obviously relevant only to one or other of the buildings are only payable by the Leaseholder(s) of that building.

68. As to "shared" costs (notably "Administration" costs, as defined in the accounts, and insurance), the apportionment of these as between the Flats 6-13 Group One Service Charge and the Flat 2 Group One Service Charge is principally for the Freeholders, acting reasonably. The Tribunal would not normally intervene. However, the Freeholders must exercise that managerial discretion. The Tribunal found, on the facts available to it, that they had not. The Tribunal had been given no clear information about Flat 2 and any Service Charge its Leaseholder had paid. The Tribunal was not supplied with any of the Flat 2 service charge demands or a statement of account for Flat 2. The Leaseholders submitted some tables that seemed to show the Leaseholder of Flat 2 making some contributions over the years to the Accessway Service Charge and to insurance up until 2021. The Tribunal found this to be the best available evidence so accepted it. Accordingly, it was satisfied that the Leaseholder of Flat 2 had not contributed towards any of the Group One Service Charge in 2022 and 2023 (whether the Flats 6-13 Group One Service Charge or the Flat 2 Group One Service Charge, which was the one to which they were contractually obliged to contribute). There is no argument that it was "necessary or equitable" for the Freeholders to have determined that the Leaseholders of Flats 6-13 should bear the cost of services, works and insurance related to Flat 2. To be compliant with the leases, the Leaseholder of Flat 2 would have to bear their fair share of those costs.

69. The Freeholders said, and the Tribunal accepted, that the Flats 6-13 Group One Service Charge for 2022 and 2023 was being charged at a rate of 1/8 to each Leaseholder of Flats 6-13. The costs pertaining to Flat 2 were included within the Flats 6-13 Group One Service Charge, but the Leaseholders of Flats 6-13 were not obliged to pay those costs. The only costs that obviously related exclusively to Flat 2 were those of the roof leak investigation in 2023, as will be detailed more fully below. None of those costs are therefore payable by the Leaseholders of Flats 6-13 via the Flats 6-13 Group One Service Charge. As the Freeholders had not exercised their managerial discretion on what the "appropriate" split between "shared" costs should be, the Tribunal had to determine that for itself. Of course, this is only applicable to the service charge years 2022 and 2023 that are in dispute.

70. The Freeholders provided no submissions on what the split should be. Although not dealing expressly with this point, the Leaseholders submitted generally that a 1/9 split of costs across the Allis Mews Estate would be appropriate. The Tribunal agrees, to the extent that the Leaseholder of Flat 2 benefitted from each service. The "shared" costs of "administration" and insurance are therefore to be apportioned on this basis. The Tribunal had been informed that Flat 2's windows had never been cleaned by the Freeholders (despite having been foreseen in the Flat 2 Lease), which it accepted as it had no better evidence. It also had no clear evidence that any bin store maintenance had been undertaken and at what cost if so. It was therefore satisfied that any costs that could be attributed particularly to Flat 2 on this basis would be negligeable, therefore unnecessary to take into account for present purposes.

71. Put another way, only 88.89% of the "Insurance" and "Administration" costs (as defined in the year-end accounts) demanded from the Leaseholders of Flats 6-13 is payable by them, in equal proportions. The remaining 11.11% of these costs would have been payable by the Leaseholder of Flat 2 via the Flat 2 Group One Service Charge but for the operation of section 20B of the Landlord and Tenant Act 1985.

72. As to the Accessway Service Charge, matters are more straightforward. During the latter part of Broadlands' management, the Leaseholders' contributions had been assessed as 1/18 of the Accessway Service Charge or 5.56%. It is possible that was not always the case, especially for service charge years preceding 2017 and from 2022 onwards, where the contribution appears to have been based on 1/17 of the costs incurred (5.88%). As the Tribunal was informed (and accepted) that there were 24 parking spaces around the Accessway, the users of which were supposed to be contributing in equal shares, the correct apportionment of the Accessway Service Charge should have been 4.17% to the occupant of each parking space (whether freeholder of Leaseholder). The parties accepted this, but appeared unable to agree

the difference between what each Leaseholder had been charged and what they should have been charged for each service charge year in dispute.

73. It appears to the Tribunal that the parties' difficulty in reaching agreement as to the relevant adjustments to make to each service charge account might relate to uncertainty about how the Accessway Service Charge has been calculated over the years. If no agreement can be reached, the Tribunal orders the matter to be resolved as follows.

    a. For each year in dispute, the parties should identify the final costs of maintaining the Accessway as established by the end-of-year accounts (taking account of any element that might have been charged separately to the freeholders via rentcharge).

    b. If the parties cannot agree what those final costs are, the Tribunal notes from the annual service charge accounts that there are "schedule 2" and "schedule 3" costs. The precise contents of those schedules has not been consistent over the years. Nobody appears to know clearly what they relate to. The cumulative sums across both schedules in each year are not significant when divided by 24. The Tribunal determined as a fact, on the balance of probabilities, that the two schedules were simply a breakdown of the overall costs of maintaining the Accessway, perhaps split in the way they were to denote that a portion of the costs was to be paid by the Leaseholders and the remainder by the freeholders around the Allis Mews Estate. Accordingly, there was no good reason to treat the "schedule 2" and "schedule 3" costs as distinct from each other. For the purposes of calculating any necessary adjustment to the Leaseholders' Accessway Service Charge, it would suffice to add together the "schedule 2" and "schedule 3" costs outlined in the year-end accounts and divide the total by 24.

    c. Multiply that figure, where necessary, in a way to account for the number of parking spaces occupied by each Leaseholder. The Tribunal understood that most had a single parking space. Those that have two, pay double. This sum will be each Leaseholder's required contribution to the Accessway Service Charge for each year.

    d. If any Leaseholder's Accessway Service Charge contribution exceeded their required contribution in any year, the difference should be credited to their service charge account.

74. The Tribunal has dealt with apportionment first, as that was the main point in dispute. Of course, when actually making adjustments to the Leaseholders' service charge accounts, it will come last, after taking account of the other issues addressed below (where relevant).

75. So far as the County Court claims are concerned, the "on account" service charges demanded for the periods 1 July 2022 to 30 June 2023 are not affected by the apportionment errors as the Leaseholders are not entitled to withhold service charges on that basis in accordance with clauses 7.10.2.2 and 7.11.1. This applies especially in circumstances where the Leaseholders had not clearly raised the nature of the apportionment error with the Freeholders prior to these proceedings commencing, save possibly once in 2013. The Tribunal rejected the Leaseholders' submission that somehow all service charge demands were inherently invalid due to the apportionment errors. The leases provide for service charges to be paid upon demand. Any challenges to those can and should be brought up separately. To the extent any such challenges go unheeded, the Leaseholders are entitled to bring the matter before the Tribunal, as explained in the summary of rights appended to every service charge demand. The matter can (and will in the present case) also be considered in the context of whether the Freeholders' managing agents were providing services of a reasonable standard and therefore the extent to which their fees are payable by the Leaseholders.

Service charge credits - 2015

76. In the 2015 service charge year, the Leaseholders' "on account" service charges exceeded the year's expenditure. The Leaseholders were therefore given a credit, as foreseen in the leases, in this case of £565.52. Mr Cross purchased his lease in November 2015, towards the end of the service charge year. He was not credited with the sum and would like to be.

77. The Freeholders submit that he only purchased the lease in 2016. The Tribunal accepted that he had purchased it in fact in November 2015 as that is the date when he is recorded as paying the purchase price. The Freeholders submitted that the credit was paid to the previous Leaseholder but presented no good evidence of that apart from a statement that it had "*been confirmed by Broadlands*". The credit does not appear anywhere on Mr Cross' service charge account, even with an indication it was paid to the former Leaseholder.

78. The Tribunal was not aware of any "standard practice" around the matter, which would be best dealt with by agreement between the Leaseholders. As far as the Freeholders are concerned, as always, the Tribunal considered it would have been

most appropriate to review the terms of the lease to understand their obligations. In this case, paragraph 4.2 of the Fourth Schedule says that "*the Lessee shall be allowed*" any credit. The Lessee includes "*where the context so admits … their respective successors in title*". There was no reason why this context would not "admit" the successor in title – Mr Cross. Indeed, that would be the most straightforward position. Presumably the Freeholders would be keen for any balancing charge to be payable by Mr Cross as it would have far better means of enforcing payment against him. If he is to bear that risk, why should he not also benefit from the chance of receiving a credit? The Tribunal concluded that the context clearly "admits" that. It would be for the vendor and purchaser of the lease to come to any alternative arrangement if they so wish. The Tribunal was unclear why the Freeholders would purport to make that decision on the Leaseholders' behalf.

79. Nevertheless, the Freeholders had submitted that the matter of credits fell outside the Tribunal's scope of determination and the Tribunal agreed. It can only determine whether a service charge is payable. The Tribunal had no evidence that Mr Cross had paid any of the 2015 service charge so it would not be appropriate for it to declare any of that service charge not payable by him. If Mr Cross believes he is owed this sum under the lease, he could seek advice on whether it could be pursued by way of set-off in the County Court claim.

Grounds maintenance – All service charge years in dispute

80. The definition of the "Block" within the leases excludes all trees and planted areas, so the Leaseholders have no contractual obligation to pay the Freeholders any costs related to them. The Leaseholders asserted that they pay a separate organisation to tend these areas. That was not an issue for this Tribunal, but it had no reason to doubt what it was told. The parties accepted that "grounds maintenance" did, however, fall within the scope of the service charge provisions of the leases.

81. The Leaseholders assert that the Freeholders incorrectly engaged contractors throughout the period in dispute to tend the planted areas. They did not believe that grounds maintenance alone would involve much work and submitted that it cannot have taken place regularly. The Freeholders presented available invoices demonstrating that contractors had been appointed to conduct some form of grounds maintenance (they suggested sweeping, moss clearance, general tidying, etc) and noted that the service charge accounts recorded the expenditure on this.

82. The service charge accounts were all prepared by external accountants who recorded that the accounts were sufficiently supported by invoices, although they were not

conducting audits. The Tribunal had no reason to doubt the accuracy of these statements or accounts so accepted them.

83. As to whether the grounds maintenance included tending vegetation, the Tribunal had little good evidence. It noted from the accounts that for the earlier years in dispute, the annual charges were between around £650 - £700, equating to roughly £50 - £60 per month. This was supported by a sample invoice it saw from 30 June 2017, indicating that "fortnightly" grounds maintenance cost £56.74 (inclusive of VAT) for the month (so presumably £28.37 per visit). For January 2019, the monthly cost was £60.77 (inclusive of VAT). Annual costs increased to over £1,000 in 2019, before decreasing again to £776 in 2020, staying at a similar level until 2023, when costs increased again to £1,176.

84. Up until 2019, the sample invoices all referred to "grounds" maintenance. During 2019, the contractor changed. Since then, the invoices began referring to "garden" maintenance. The new contractor was Bruce Cleaning Services Ltd, who appeared to attend monthly at a cost of around £82.50 (inclusive of VAT). In mid-2020, Ricky Tyler Landscapes (a trading name of Ricky Tyler Grounds Maintenance Ltd) was appointed, who charged £132 (inclusive of VAT) per visit on a reduced schedule (6 times per year). The latter's invoices referred to "Garden Maintenance" and "full garden maintenance". When asked by the Leaseholders in December 2024 to provide an updated quote on the current scope of work, Ricky Tyler Landscapes responded indicating that it conducted weeding, pruning and "general garden maintenance".

85. The Tribunal found the change in wording in the invoices, coupled with the increased costs of each visit telling. It concluded that up until 2019, only "grounds maintenance" was provided, so all costs occurred on that account were payable in full by the Leaseholders. However, from then on, the contractors had been instructed to tend the vegetation in addition, which is supported by Ricky Tyler Landscapes' recent indication of the scope of work it has been performing. This activity would have taken a significant amount of the contractor's time and the Leaseholders are not required to pay for that service.

86. Using its expert knowledge and taking a pragmatic approach to the matter with the parties' endorsement, the Tribunal determined that from service charge year 2019 (inclusive) and onwards, only 50% of the grounds maintenance costs are payable by the Leaseholders.

87. As to the Leaseholders' suggestion that a cheaper contractor could have been engaged, the quote they provided was from September 2023. The Freeholders have significant management discretion as to which service providers to appoint, so long

as it is within reasonable bounds. The production of alternative quotes dated from the end of the periods in dispute, without any evidence that the Freeholders had been notified of such cheaper alternatives prior to incurring costs, does not establish that the Freeholders acted unreasonably. The costs incurred did not seem to the Tribunal obviously excessive so it determined not to make any deduction on this basis.

88. Finally, the Leaseholders submitted that the Freeholders had paid for maintenance of some private gardens around the Allis Mews Estate, but the Tribunal had no evidence of this so no further deduction was warranted.

Tree replacement – 2020

89. The Freeholders conceded that the Leaseholders were not obliged to pay for this expenditure.

Internal cleaning – All service charge years in dispute

90. The leases include an obligation on the Leaseholders of Flats 6-13 to contribute to the Freeholders' costs of cleaning the common parts of their building, such as the entrance hall and staircases.

91. The Leaseholders assert that no such cleaning took place or, if it did, it was not to a reasonable standard. They said that they had arranged their own cleaning schedule because of this.

92. The Freeholders said that cleaning had taken place and presented sample invoices demonstrating that contractors had been appointed to undertake internal cleaning. They noted that the service charge accounts recorded the expenditure on this.

93. The service charge accounts were all prepared by external accountants who recorded that the accounts were sufficiently supported by invoices, although they were not conducting audits. The Tribunal had no reason to doubt the accuracy of these statements or accounts so accepted them.

94. As to whether the internal cleaning had in fact satisfactorily taken place, the Tribunal had some evidence. It noted from the accounts that, throughout the period in dispute, the annual cleaning costs were around £1,500 - £2,000, equating to in the region of £150 per month. This was supported by numerous sample invoices from different years, typically showing fortnightly or monthly cleaning. Various emails from different years showed exchanges between the Freeholders' managing agents and cleaners regarding certain issues, occasionally including photos (such as carpet cleaning, items being stored in riser cupboards, marked walls, water and electricity

supply). The Tribunal noted also that there would typically be periods of at least two weeks between visits, during which dirt could easily accumulate. If that happened shortly after any clean, the issue might well have remained for almost that whole period, which would clearly be very noticeable to the Leaseholders. The Leaseholders suggested that certain specific tidying operations had been invoiced but not completed, such as cleaning out riser cupboards. The Tribunal had no good evidence of that and noted that it was just as likely that Leaseholders could have returned removed items to cupboards after emptying.

95. In light of this, the Tribunal was satisfied that cleaning had taken place at all times and to a satisfactory standard, even if the Leaseholders might have wished it to take place more frequently. Therefore all cleaning costs from all years are payable by the Leaseholders.

96. As to the Leaseholders' suggestion that a cheaper contractor could have been engaged, the quote they provided appeared to be from September 2023. The Freeholders have significant management discretion as to which service providers to appoint, so long as it is within reasonable bounds. The production of alternative quotes dated from the end of the periods in dispute, without any evidence that the Freeholders had been notified of such cheaper alternatives prior to incurring costs, does not establish that the Freeholders acted unreasonably. The costs incurred did not seem to the Tribunal obviously excessive so determined not to make any deduction on this basis. In any event, the Freeholders appeared to have reviewed arrangements from time-to-time, resulting in a cheaper contractor being appointed with effect from June 2023.

Window cleaning – All service charge years in dispute

97. The leases include an obligation on the Leaseholders to contribute to the Freeholders' costs of cleaning the windows.

98. The Leaseholders assert that no such cleaning took place or, if it did, that certain windows were never cleaned because they would have been inaccessible absent access to a private courtyard area. The Tribunal was told that those with access to that private area had never been asked for, or given, access to any window cleaners appointed by the Freeholders. The Tribunal had no reason to disagree so accepted this account.

99. However, the Freeholders said that window cleaning had taken place and presented sample invoices demonstrating that contractors had been appointed to do so. They pointed out that a number of windows were accessible from the Accessway and had

been cleaned. They noted that the service charge accounts recorded the expenditure on this.

100. The service charge accounts were all prepared by external accountants who recorded that the accounts were sufficiently supported by invoices, although they were not conducting audits. The Tribunal had no reason to doubt the accuracy of these statements or accounts so accepted them.

101. After reviewing sample invoices and noting a relatively comprehensive email on the matter from the appointed contractor dated 8 December 2022, the Tribunal accepted that window cleaning had taken place, but not of those windows only accessible from the courtyard area.

102. The Tribunal has no power to order anything be done about windows that were not cleaned. It is not the case that cleaning was commissioned without any taking place; windows were satisfactorily cleaned on each visit. There was nothing to suggest either that the contractors' charges had taken account of those windows that could not be cleaned, or that the charges would have been lower on that account. Accordingly, the Tribunal found that these charges were payable in full by the Leaseholders for all years in dispute. The Tribunal determined that any failure of the Freeholders' managing agents to coordinate access to the courtyard to allow the cleaning to take place would be better considered as part of the Leaseholders' challenge to their management fee.

103. This is subject to the Freeholders crediting the Leaseholders with £189.05 relating to service charge year 2022, which they admit had been incorrectly charged to the Leaseholders due to an invoice and/or accounting error. They submit that a corresponding credit was given to the Leaseholders in 2023, but that is not obvious from the accounts and the Tribunal therefore concluded that had not happened. If it has since been credited to the Leaseholders, no further action is required.

104. As to the Leaseholders' suggestion that a cheaper contractor could have been engaged, the quote they provided was from September 2023. The Freeholders have significant management discretion as to which service providers to appoint, so long as it is within reasonable bounds. The production of alternative quotes dated from the end of the periods in dispute, without any evidence that the Freeholders had been notified of such cheaper alternatives prior to incurring costs, does not establish that the Freeholders acted unreasonably. The costs incurred did not seem to the Tribunal obviously excessive so determined not to make any deduction on this basis. In any event, the Freeholders appeared to have reviewed arrangements from time-to-time, resulting in a cheaper contractor being appointed with effect from June 2023.

Electricity supply – All service charge years in dispute

105. The leases include an obligation on the Leaseholders to contribute to the Freeholders' costs of electricity via both of the Flats 6-13 Group One Service Charge and the Accessway Service Charge. There are external electric lights around the Accessway.

106. The parties had been expected to resolve their dispute around electricity supply between themselves. The Tribunal is unsure if that was achieved. In a similar manner to the apportionment issue, the Tribunal is seized of the matter so should make a determination if the parties have not managed to reach agreement. If they have, the following matters can be ignored.

107. The Tribunal understood the Leaseholders to be asserting that the external lights were not the responsibility of the Freeholders. They were not the Leaseholders' responsibility. Perhaps some of them may be the responsibility of the freeholders living on the Allis Mews Estate; that is not a matter for the Tribunal. The Tribunal was satisfied that at least some of those lights were the Freeholders' responsibility under the leases, which specifically refers to "Electricity supply including bulb replacement" being payable via the Accessway Service Charge.

108. Reference was made at the hearing to a "phantom" electricity meter. The Tribunal was unclear whether this was a reference to (1) electricity having been included within the Accessway Service Charge, (2) a separate meter that genuinely exists somewhere that no-one can locate or (3) a non-existent meter against which an electricity company is charging the Freeholders for electricity. The evidence was far from clear enough for the Tribunal to accept hypothesis (3) of its own accord, but it appears the parties have accepted that to be the case. If so, so does the Tribunal. In that case, none of the electricity charges generated from the "phantom" electricity meter are to be treated as relevant costs for the purposes of calculating any service charge.

109. As to either of the other hypotheses (1) and (2), if electricity charges have been generated and have been charged to the Freeholders, the Leaseholders must pay them. If hypothesis (1) explains the only concern, then the Freeholders have significant management discretion as to how to apportion electricity costs between the Flats 6-13 Group One Service Charge and the Accessway Service Charge. It appears they had chosen simply to split the bills in half between the two service charges between 2015 and 2020 (according to the service charge accounts). It is unlikely that electricity consumption would have been identical between the two

areas, which is what the accounts showed. The Tribunal found there to be nothing inherently unreasonable about that: the external lighting might be "on" for a significant time across the year. From 2021, all electricity charges were allocated to the Flats 6-13 Group One Service Charge. The Tribunal found there to be nothing inherently unreasonable about that either: the Freeholders may have taken the view that the electricity consumed by the external lighting was in fact negligeable. This is precisely a matter for management discretion. The only action that *might* be considered unreasonable would be if the electricity charge had been allocated entirely (or in large proportion) to the Flat 2 Group One Service Charge or the Accessway Service Charge rather than the Flats 6-13 Group One Service Charge.

110. The service charge accounts were all prepared by external accountants who recorded that the accounts were sufficiently supported by invoices, although they were not conducting audits. This would apply to the electricity charges recorded. The Tribunal had no reason to doubt the accuracy of these statements or accounts so accepted them.

111. Accordingly, as to the charges generated by the electricity meter that does exist, the Tribunal found that the electricity charges were payable in full, as demanded, for every service charge year in dispute. The Tribunal determined that any failure of the Freeholders' managing agents to coordinate the regular provision of meter readings or renewal of electricity contracts would be better considered as part of the Leaseholders' challenge to their management fee.

General repairs and maintenance – All service charge years in dispute

112. The leases include an obligation on the Leaseholders to contribute to the Freeholders' costs of undertaking general repairs and maintenance to both the Flats and the Accessway.

113. The Leaseholders initially asserted that no such repairs or maintenance took place. The Freeholders said that various items of repair were required over the years, as would be expected. They noted that the service charge accounts recorded the expenditure on this. The Tribunal understood that the Leaseholders accepted most charges were payable in this respect. They contested that repairs to external lights were the Leaseholders' responsibility under the leases. They also contested liability for repairs that might have taken place on the parking spaces or in the Undercroft as such repairs are for individual Leaseholders (or freeholders) to undertake.

114. In case all general repairs were not agreed, the Tribunal noted the service charge accounts were all prepared by external accountants who recorded that the accounts

were sufficiently supported by invoices, although they were not conducting audits. The Tribunal had no reason to doubt the accuracy of these statements or accounts so accepted them. There was no good evidence of the reserve fund having been used inappropriately.

115. After reviewing sample invoices, the Tribunal accepted that general repairs and maintenance tasks had taken place as stated and that the cost of such repairs and maintenance was therefore payable in full (subject to some specific issues of repair that will be addressed separately). This includes the cost of any investigations that took place that are not specifically addressed below. This also includes the cost of repairing or replacing the door intercom system. The Leaseholders asserted it was not a good quality repair, but the Tribunal had no good evidence to support that.

116. As to repairs to, or the replacement of, external lights, the Tribunal accepted that the Freeholders were obliged to handle this under the leases and that the Leaseholders were required to pay for the cost of such repairs (as explained above in relation to the electricity supply). The Tribunal had no evidence to suggest repairs were undertaken to lights that might have been the other freeholders' responsibility so found these costs were payable in full.

117. As to works that had allegedly taken place on individual parking spaces or in the Undercroft, there was no evidence of that. Due to the complete opacity of how the accounting schedules 2 and 3 had been created over the years and what they in fact related to, the Tribunal placed very limited weight on their headings. That appeared to be the Leaseholders' main concern; as a schedule heading referred to the Undercroft, repairs must have taken place on it. The Tribunal considered that the reference was misleading and that all maintenance costs referred to actually took place on the Accessway or the lighting around it. The underlying issue relating to the management of the Allis Mews Estate and the incorrect apportionments that fed through into any misleading accounting is better addressed in the context of determining the Leaseholders' liability to pay the managing agents' fees.

Works – External redecoration in 2015

118. In or around spring 2014, internal redecoration of the common areas in the building within which Flats 6-13 are situated took place. The works and consequent costs are outside the scope of these proceedings. The Tribunal simply needed satisfaction about whether the works had taken place. It was provided with a consultation letter from March 2014 explaining that "KB Painting & Decorating" had provided a quote of £4,350 for the works. Broadlands instructed KB Painting & Decorating to undertake the works on 29 May 2014. Photos were provided

purportedly showing the works had taken place. An invoice, inexplicably from March or June 2015, showed that a deposit of £450 had been sought by, and paid to, KB Painting & Decorating on 1 July 2015 for "*decoration carried out at 6 – 13 allis mews*".

119. The accounting for these works does not obviously appear in any income and expenditure account. A deduction from the reserve fund was made in 2014, purportedly for "Internal Redecoration", in the sum of £4,255. The Tribunal was a little troubled by the accounting being presented in this way, rather than clearly showing this as expenditure alongside a corresponding withdrawal from the reserve fund. Nevertheless, it accepted that the works took place. As indicated, this issue was not directly in dispute, but was important to an issue raised by the Leaseholders in relation to the use of the reserve fund and subsequent external redecoration works.

120. The following year, in 2015, external redecoration works were programmed. A consultation was launched on 14 April 2015. Three estimates were presented to the Leaseholders on 16 June 2015. Each estimate was broken down into costs applicable to different buildings within the Allis Mews Estate. Notably (in relation to the cheapest proposal from "Gigney Property Services" that was ultimately pursued): £14,050 for "6-13 Allis Mews"; £5,600 for 21 and 23 The Chase; £7,500 for 25 The Chase ("The Chase" properties are all freehold houses). The total estimated cost was £32,750.

121. On 28 July 2015, the Freeholders wrote to the Leaseholders confirming they had commissioned Gigney Property Services to undertake the works. It appears they had omitted to account for VAT previously, so indicated that the cost had increased to £18,249 (including a contingency and a fee charged by Broadlands for handling the process). The Freeholders indicated they would put the reserve fund towards the cost of the works but would require additional contributions.

122. They sought additional contributions of £9,365, referred to as both additional contributions and a "Transfer from Service Charge" according to the 2015 accounts. The same accounting methodology was used whereby the expenditure was only recorded in the reserve fund, and not in the income and expenditure account. The expenditure was recorded as £18,179, next to a description "External Redecorations". Unhelpfully, the previous year's expenditure on internal redecorations was recorded on the same line, understandingly leading the Leaseholders to query whether that previous expenditure of £4,255 related to the external, rather than the previous internal, redecorations. The Tribunal accepted it related to the internal redecorations. Accordingly, the cost of the external redecorations was £18,179. In fact, a credit was

issued the following year (2016) for £1,169.50, so the cost of the works was a little less than anticipated.

123. The Leaseholders asserted that the consultation process was ineffective and that the works were either not conducted or were sub-standard or left incomplete. They relied on the 2016 credit referred to above as well as further external works that took place over the following years. They asserted also that additional costs had been incurred due to equipment failure. Finally, they asserted that external works to the houses on The Chase had been undertaken at the Leaseholders' expense.

124. The Tribunal had seen the consultation letters and found there was nothing defective about the consultation process that was undertaken. It was provided with photos showing the buildings prior to, during and after the works, with scaffolding and a "cherry-picker" visible. The buildings looked visibly cleaner, although there was very little the Tribunal could tell from a small selection of photos. The works were stated to be for redecoration, not remedial works and were not obviously left unfinished. In any event, that some specific structural works became necessary around two years later is not indicative of sub-standard redecoration work in 2015. A credit in 2016 plainly does not indicate that additional costs had been incurred, quite the opposite. There is an evidential burden on the Leaseholders to demonstrate that works were sub-standard. Deciding only to bring the issue to the Tribunal almost 10 years' later is clearly unhelpful in that regard and the Tribunal was satisfied that they were very far from having proven their allegations. Finally, the consultation documents clearly show that the cost of decorating the houses was treated separately to that related to the Flats. It is highly unlikely that the initial quote of £32,750 would have been reduced to just £18,249 for the same work. The Tribunal was satisfied that all costs charged to the Leaseholders related solely to the Flats' redecoration and were payable in full.

125. The Leaseholders also suggested that the £1,169.50 credit in 2016 was not applied to the Leaseholders' service charge accounts. The Tribunal noted in the year-end accounts for 2016 that a credit to the reserve fund was made of £1,420, noted to be related to "External Redecorations". The Tribunal concluded it incorporated the £1,169.50 together with another unexplained credit and that it should take no further action on the matter.

Works – Drainage works in 2022

126. The Tribunal found that the following occurred, on the balance of probabilities in light of all of the available evidence.

127. In or around 21 September 2022, the Leaseholder of Flat 6 noticed their drains were "backing up" and reported that to the Freeholders via the Adiuvo out-of-hours hotline. As it transpires, this was due to a blockage in the external drains.

128. An engineer was sent out and failed to clear the blockage. They conducted a video survey and suspected tree roots to be blocking the drain. They were unclear where exactly the blockage might be and whose responsibility it would be as between the Freeholders or Thames Water.

129. Unsurprisingly, as the blockage had not been resolved, the Leaseholder called the hotline again the following day – 22 September 2022. A further engineer was sent out, on behalf of Jet Through Ltd. They attended at around midnight, noted the blockage was within the external drains and that it was too late to bring loud equipment to attempt to clear it. They would need to return the next day and did, successfully clearing the blockage (at least in part).

130. By this point, Flat 6 had suffered significant damage and its occupants significant distress and inconvenience.

131. In parallel, investigations continued into the reported tree roots. On 23 September 2022, Thames Water agreed to attend to investigate. The outcome of their investigation was that any tree root blockage was the Freeholders' responsibility.

132. Accordingly, the Freeholders instructed Anglia Tree Contractors Ltd to attend and remove the tree root blockage. It did so on or around 29 September 2022. Its invoices were markedly unclear. It produced three invoices, two of which were numbered "INV-1406", one in the sum of £1,320 (stating that a blockage had been investigated for a sum of £1,100 + VAT), the other in the sum of £3,164.04 (stating that a blockage had been investigated and cleared for exactly twice that cost – £2,200 + VAT – together with a cost of £436.70 + VAT for materials). The third invoice was numbered "INV-1502" stating that a blockage had been cleared for £1,100 + VAT together with a materials cost of £436.70 + VAT, for a total of £1,844.04.

133. Doing as best it could from this information, the Tribunal determined that there had been a tree root blockage and that the contractor had attended once to investigate and then returned to clear the blockage. It had then either provided a duplicate invoice or returned to the site for further work as it failed to resolve the matter. The Tribunal concluded that, whichever was true, the latter cost was not recoverable as either no work was in fact undertaken or it was demonstrative of the previous work having not been of a reasonable standard. By that time, at least four investigations would have taken place. Accordingly, the Tribunal concluded that

£1,844.04 was not to be considered a relevant cost for the calculation of the Leaseholders' service charges.

134. The Leaseholders had also submitted that the Adiuvo out-of-hours hotline had not responded to calls. The Tribunal did not accept that. The Freeholders investigated with Adiuvo, which had no record of any such unanswered calls. The Tribunal concluded that was likely to be the Leaseholder of Flat 6's recollection because no actual work took place immediately and the blockage persisted, however their calls were answered.

135. Finally, the Leaseholders submitted that the blockage was not satisfactorily resolved. The Leaseholder of Flat 6 had had to engage a further drainage company on 2 October 2022 – Premier Drainage Company Ltd. It attended and removed the blockage at a cost of £144.

136. Bearing in mind the proximity to the work undertaken by Anglia Tree Contractors Ltd, the Tribunal concluded that the work that it had undertaken at far more significant cost was incomplete and therefore not of a reasonable standard. Accordingly a further deduction was justified to the Anglia Tree Contractors Ltd charges of £3,164.04. Using its expertise and judgement, the Tribunal determined that a reduction of 20% would be appropriate, meaning that a further £632.81 is not to be considered a relevant cost for the purposes of determining the Leaseholders' service charges.

137. The Leaseholders noted that the overall cost of the drainage work amounted to over £5,000 (excluding initial investigations), corresponding to a service charge per Leaseholder of Flats 6-13 of over £600. This is well in excess of the consultation threshold. No consultation was undertaken. Even after the necessary adjustments resulting from this decision, each Leaseholder's contribution remains above the threshold.

138. Accordingly, the Freeholders made an application for dispensation from consultation in accordance with section 20ZA of the Landlord and Tenant Act 1985. The Leaseholders objected but the Tribunal was satisfied that it was reasonable to grant dispensation on the basis that the works were of an urgent nature and, as such, consultation would have been decidedly impractical. It is worth noting the Tribunal rejected any notion that these costs should be combined with any others that were not directly related for this purpose. No other works undertaken subsequently were directly related to these drainage works.

139. Finally, the Leaseholders submitted that the cost of the drainage works should have been sought from the Flats' insurer. The Freeholders asserted that the cost of consequential repairs necessitated to Flat 6 were recovered under the insurance (subject to an excess), however the removal of the blockage itself was not a risk covered by the insurance. The Tribunal was provided with a copy of the insurance policy, but is not determining any potential dispute between the Freeholders and the insurer about the extent of coverage. It was sufficiently arguable from its terms that the removal of the blockage itself was not due to an "Insured Peril" and therefore covered, such that it was reasonable for the Freeholders to charge the Leaseholders instead. Of course, this results from a very cursory review of the policy and the parties remain at liberty to follow this up further with the insurer if they so wish.

Works – Downpipe connection in 2023

140. On or around 10 May 2023, the Freeholders instructed Ground Up Property Services Ltd ("GUPS") to investigate a downpipe issue at a cost of £654 (inclusive of VAT). GUPS noted the downpipe was not connected to any drain; it simply entered the ground. GUPS was instructed to rectify the issue. It attended around the end of the month and connected the downpipe to the drainage system for a fee of £1,974 (inclusive of VAT).

141. The Leaseholders once again alleged that dispensation from consultation would be required in order to charge the full cost to the Leaseholders. The Tribunal disagreed. Investigatory work does not fall within the definition of "qualifying works" for the purposes of section 20ZA of the Landlord and Tenant Act 1985. As the cost of the actual works was marginally lower than £250 per Leaseholder, no consultation was required for that cost to be recoverable in full.

142. The Leaseholders also suggested that the works result from an inherent defect. That may be so, but the Allis Mews Estate was constructed in or around 2003. It might be possible for the Freeholders to seek to recover something from the developers of the Allis Mews Estate, but there is no obviously straightforward mechanism to do so (for instance under any warranty scheme). It was therefore reasonable for the works to be undertaken at the Leaseholders' expense. If the Freeholders recover any sums in due course, they will of course be credited to the Leaseholders' service charge accounts. The cost of these works is therefore payable in full.

Works – Flat 2 roof leak investigation in 2023

143. This issue is principally a matter of apportionment as noted above. It was convenient to address it separately. In or around October 2023, the Leaseholder of

Flat 2 noticed their roof was leaking. The Freeholders arranged for that to be investigated on 13 October 2023. Apparently that investigation only took place on 8 November 2023. It cost £547.20, which was invoiced on the same day.

144. In accordance with the leases, the only Leaseholder that is obliged to pay for works to Flat 2 is the Leaseholder of that Flat (via the Flat 2 Group One Service Charge). Accordingly, none of this cost is payable by the Leaseholders of Flats 6-13 via the Flats 6-13 Group One Service Charge. It had all been charged to them. Due to the operation of section 20B of the Landlord and Tenant Act 1985, the cost of this leak investigation cannot now be charged to the Leaseholder of Flat 2 either. The Tribunal did not accept that the Freeholders' generic "notice under S.20B(2)" was sufficient to establish otherwise as section 20B of the Landlord and Tenant Act 1985 clearly envisages notice of "the relevant costs in question" being given. That entails an element of specificity, for instance, the "costs of roof repairs". The notice in this case was devoid of any such detail. Besides and in any event the Tribunal had no evidence it had been sent to the Leaseholder of Flat 2. Additionally, the costs were sought entirely from the Leaseholders of Flats 6-13, so the Leaseholder of Flat 2 would have had no reason to anticipate those costs then being charged to them.

145. The cost of any repairs themselves appears not to have been incurred until after the service charge years in dispute. The Tribunal is not considering the payability of service charges related to any such period. However, this finding might be relevant to that issue, including as to possible consultation. An investigation may well not amount to "qualifying works" as defined in section 20ZA of the Landlord and Tenant Act 1985, but any ensuing works plainly would. In relation to any works to Flat 2, consultation (or dispensation from such) would be required in order for the Freeholders to seek a contribution of greater than £250 towards those costs.

Works – Smoke and heat alarm installation in 2022

146. In March 2021, the Freeholders instructed 4site Consulting Ltd ("4site") to conduct a health, safety and fire risk assessment of the building containing Flats 6-13. 4site made various recommendations, the only one of note to these proceedings being that, pending an assessment of the external cladding to the block, "*a suitable LD2 fire alarm system will be required, consisting of interlinked smoke detection units in the common parts and a heat detector in each flat*". The report noted that there was no "*suitable fire warning and detection system installed*". It noted the issue was a "Priority Two" matter, meaning action is "*required within 1 to 3 Months to reduce serious risks*".

147. The Freeholders accordingly instructed Nirvana Maintenance Ltd to install such an alarm system in September 2022, at a cost of £1,640.54. A further two visits were required at a cost of £170.40 each due to one Leaseholder having been absent on the day of installation. In relation to the latter charges, the Leaseholders raise issue with unreasonable scheduling requests resulting in these charges. They were only required because the installer initially failed to attend when the work was first scheduled. The Tribunal concluded that some last-minute cancellations are frustrating and can occur, but the Leaseholders were not charged for that. The charge was only made when the installer could not subsequently gain access due to the Leaseholder being absent and having not made alternative access arrangements. The Tribunal felt the Freeholders could and should have sought to negotiate these charges with the installer, but that the charges in themselves were not inherently unreasonable. They are therefore payable. Despite the Leaseholders suggesting consultation was required for these works, the £250 expenditure threshold was not exceeded so there is no limit on the costs of these works being charged to the Leaseholders.

148. As to the choice to undertake the installation at all, the Leaseholders felt it was unjustified and unnecessary. They have suggested various reports and an email from a fire safety officer prove this. The most compelling report was a 2023 combined fire/health and safety risk assessment produced by Cardinus Risk Management ("Cardinus"). It indicated that due to "*the nature and fire evacuation strategy of the premises no fire alarm system is required*". Plainly this is an unfortunate conflict with the 4site report. However, this does not establish that the 4site report was flawed and that the Cardinus report was not. Both appear to reflect the honest judgement of each inspector. The Tribunal felt that there was insufficient evidence to establish that, of the two reports, the 4site report should be considered "wrong". If the Leaseholders have a grievance with 4site, that is something for them to pursue directly with it. In these circumstances, the Tribunal must focus on whether the Freeholders acted reasonably or not.

149. In that respect, the Freeholders had been given a clear report and recommendation from 4site. There is nothing inherently unreasonable in following such a recommendation, indeed many would accuse the Freeholders of acting unreasonably had they not. The leases envisage that the Leaseholders of Flats 6-13 are required to contribute to the costs of installing new systems where reasonable, including relating to fire protection equipment, which the Tribunal accepted applied. Accordingly, the Tribunal concluded these costs were payable in full.

150. The Leaseholders had initially alleged that dispensation from consultation was required in order to charge the full cost of the installation to the Leaseholders.

However, it was clarified at the hearing that the reference to "Fire defence systems" in the end-of-year accounts was very broad and encompassed unrelated emergency light testing and repairs. Accordingly the Leaseholders accepted that consultation was not required and the Tribunal agreed. To the extent the Leaseholders sought to have the costs of the installation considered together with the report for this purpose, the Tribunal disagreed as the report does not amount to "qualifying works".

External wall survey in 2022

151. The March 2021 4site report had recommended installing the smoke and heat fire alarm system pending a survey of the external cladding to the Flats and their wood panelling to assess their resistance to fire. The Freeholders sought to establish the nature of the cladding and panelling first, before incurring the cost of the alarm system.

152. The Freeholders therefore commissioned DDS (International) Limited ("DDS") to produce "*an External Wall Surface Fire Risk Appraisal & Assessment (FRAA) report*" in November 2021. DDS investigated the matter but simply reported that they could not produce a useful report prior to obtaining an external wall survey to establish the composition of the external walls.

153. The Freeholders therefore sought to procure an external wall survey. Indicative quotes that they provided to the Leaseholders amounted to a minimum of £9,750 (+ VAT), possibly up to £14,000 (+ VAT). It therefore sought funds from each Leaseholder of £1,895 on or around 16 March 2022 to cover the costs of the survey. Quite remarkably, in purporting to undertake consultation with the Leaseholders, the Freeholders wrote as follows. "*We can confirm due to the safety requirements in ensuring the building is compliant and the survey not considered repairs, maintenance or a long-term agreement, we will not continue the Section 20 consultation. We will, however, consider obtaining a dispensation grant from the First-Tier Tribunal Property Chamber*". I pause to say they should of course have written "*applying for*" rather than "*obtaining*".

154. This appears to have been the "final straw" that broke the Leaseholders' relationship with the Freeholders and Broadlands. Through what appears to have been a very concerted effort, the Leaseholders managed to convince the Freeholders to pause their commissioning of the external wall survey. In or around 9 August 2022, the Freeholders cancelled the £1,895 service charge demands. It is unclear why the Leaseholders submit they were not aware of this as their service charge accounts clearly show the sums having been credited to their accounts.

155. Instead, the Freeholders installed the smoke and heat fire alarm system as referenced above, pending further consideration of the matter.

156. It is very unclear exactly what the Leaseholders are seeking from the Tribunal in relation to the external wall survey. It has not been commissioned (or certainly had not been during the period under consideration in these proceedings). They seem to believe that some portion of the reserve fund was spent on that survey, but the accounts do not show that. The survey was cancelled and did not proceed. It is not for the Tribunal to somehow declare how the Freeholders should manage the Allis Mews Estate. The Leaseholders have clearly sought advice on whether an external wall survey is needed and should pursue their discussions with the Freeholders. The Tribunal made no determination on the matter.

Building height survey in 2023

157. The Freeholders determined to undertake a building height survey in 2023 at a cost of £240. The Leaseholders said that one had been done in the context of the DDS FRAA in 2021. The Tribunal determined that it was reasonable for the Freeholders to commission a specific and accurate building height survey, in which it could have confidence. This cost is payable in full.

Fire risk assessments

158. The Freeholders determined to undertake regular fire risk assessments of the block of Flats. The Leaseholders believed the cost was excessive. The Tribunal found the cost to be within the range of reasonable charges for such surveys. It is payable in full.

Emergency light testing

159. The Leaseholders believed this had not taken place due to a physical log not being signed. The Freeholders said they had taken place, the tests had been invoiced and included in the accounts.

160. The Tribunal noted the service charge accounts were all prepared by external accountants who recorded that the accounts were sufficiently supported by invoices, although they were not conducting audits. The Tribunal had no reason to doubt the accuracy of these statements or accounts so accepted them.

161. After reviewing sample invoices, the Tribunal accepted that the emergency light testing had taken place as stated and that the cost of such was therefore payable in full.

Insurance – Re-instatement valuations

162. As is regular practice, the Freeholders commissioned building re-instatement valuations at regular intervals from Cardinus. As far as these proceedings are concerned, that was firstly in 2016, then 2019, then 2022.

163. The Tribunal was told the first valuation cost £514.08, which it accepted. In 2019 it cost £570. In 2022, £540. The Leaseholders didn't contest the reports themselves or suggest that they should not have been commissioned. They believe the costs were excessive and that desktop assessments could have been commissioned for around half the cost. In writing to Cardinus about that, the Leaseholders were informed that a desktop assessment "*may not always provide the most accurate reinstatement figure*". Further that the Freeholders generally prefer to receive a full assessment based on a site visit.

164. The Tribunal noted that all of the assessments stated that they had been based on a site visit. This is a matter for the Freeholders' managerial discretion and the Tribunal did not find it had been exercised unreasonably. The costs are payable in full.

Insurance – Premiums

165. The Freeholders are obliged to insure the Allis Mews Estate and the Leaseholders are obliged to pay for that insurance. The leases provide the Freeholders with considerable latitude in their choice of insurer and broker.

166. The Leaseholders believe the premiums charged in 2020, 2022 and 2023 were excessive. Insurance costs as recorded in the year-end accounts for 2019 were £2,284. They increased to £2,893 in 2020. The Tribunal had no evidence that the premiums underlying those costs were excessive in comparison to other options at the time. The insurance was provided by Zurich Insurance PLC ("Zurich") and had been procured through a broker – Arthur J. Gallagher Insurance Brokers Limited ("Gallagher").

167. In 2021, insurance costs were a little lower at £2,448. In 2022, they increased to £2,887.65. Thus far, the Tribunal was satisfied the insurance costs were reasonable and payable.

168. In 2023, insurance costs increased markedly to £5,183.68. It appears the increase can be traced to insurance claims made in respect of a leak in late-2020 and then to the drainage issue and ensuing reinstatement of Flat 6 in late-2022 referred to above.

169. The insurance year is 1 June to 31 May every year, so does not line up with the service charge year. The Freeholders choose to apportion the cost across the service charge year, so 8 months' worth of premium is allocated to the service charge year in which the premium is actually paid, with 5 months' worth carried forward to the following service charge year. Accordingly, the insurance costs in the service charge accounts do not correlate directly to any specific premium paid in that year.

170. It seems that the insurance claims related to 2020 were not processed until after the insurance renewal in 2021. This is because the Tribunal was informed, and accepted, that when claims are made it has an inflationary effect on the following year's premium. The 2021 premium does not appear to have been inflated especially from the previous year. However, in 2022 it increased to £3,781.67. It further increased to £4,702.96 in 2023 after the drainage issue.

171. Therefore, in 2023, the Freeholders (and accordingly the Leaseholders) were faced with an elevated premium for the period up until 31 May 2023, and an even greater premium from then on. Accordingly, the Tribunal was not surprised that the insurance costs for the year were significantly above those from previous years. The Tribunal was satisfied that was not due to any unreasonable choices from the Freeholders, but rather the effect of the previous insurance claims, notably related to the Flat 6 reinstatement. The Freeholders had not otherwise changed their insurance arrangements, maintaining their insurance with Zurich via the agency of Gallagher. The costs of insurance are therefore payable in full.

Management fees – All service charge years in dispute

172. The leases include an obligation on the Leaseholders to contribute to the Freeholders' costs of managing the Allis Mews Estate. This is notably through the appointment of managing agents.

173. The Leaseholders had wide-ranging and considerable concerns about the competency of those managing agents – Broadlands, firstly, and Principle, latterly. By the time of the hearing, they appeared to view Principle in a slightly better light, in no small part due to its significant engagement in the litigation process. Hopefully that relationship continues to improve.

174. Much of the Leaseholders' concerns centred on Broadlands' actions over the years. It is fair to record they disapproved of its management in almost every respect imaginable. They complain about the alleged mishandling of Leaseholder consultation, the reserve funds, repairs and contractors. They complain that it fundamentally misconstrued the leases in determining service charge

apportionment. It is, they say, this lack of effective management not only of the Allis Mews Estate, but of the Freeholders' wider property "portfolio" that led the Freeholders to appointing Principle in its place in 2022. This was not directly a matter for the Tribunal to consider and it was mindful that Broadlands was not represented at the hearing. Nevertheless, it had to make some findings due to the Leaseholders' complaining that the services Broadlands provided were not of a reasonable standard and that therefore their service charges should be limited accordingly.

175. In several respects the Tribunal identified management failings.

176. Firstly, the parties agree that Broadlands had failed to apply the correct service charge apportionment, over a significant period of time.

177. Secondly, the Tribunal saw a series of letters sent by Mr Cross every year from 2016 to 2020 and then again in 2022 seeking facilities to inspect the accounts and supporting documents in accordance with section 22 of the Landlord and Tenant Act 1985. He had recorded in each letter that the previous year's request had not been complied with. Although it is technically the Freeholders' responsibility, in reality, it would have been for Broadlands to comply. In any event, it was Broadlands' duty to forward on the request. A failure to do so is a potential criminal offence. The Tribunal had no reason to doubt the contents of Mr Cross' letters, so accepted that they had been sent and that he had not been provided access to the requested documents.

178. Thirdly, Broadlands had not kept a clear and ordered file related to its management of the Allis Mews Estate. The Tribunal was informed at the hearing that its handover of documents had been rather chaotic. It appears that, at least in part, this resulted in a significant delay to the preparation of the service charge accounts for 2022 and 2023.

179. Fourthly, Broadlands had wrongly contracted for garden maintenance services as explained above.

180. Fifthly, it inexplicably interrupted a consultation exercise relating to the commissioning of an external wall survey when that is precisely a matter that would have benefitted from proper and informed engagement with the Leaseholders. Whether or not it was the sort of consultation required by section 20 of the Landlord and Tenant Act 1985 was quite besides the point.

181. Finally, a collection of more minor matters were noted: not managing the access to the private courtyard for external window cleaning, possibly inefficient management

of the electricity supply, there may be other matters also highlighted elsewhere in this decision.

182. In these circumstances, the Tribunal determined that Broadlands' management had not been of a reasonable standard. In doing so, the Tribunal nevertheless recognised that the essential works and services were provided to the Allis Mews Estate. The Tribunal was not sure the Leaseholders would agree, but it is clear, notably, that contractors were arranged when required and various works took place over the years. Some years management may have been more effective than others. On that basis, viewing matters "in the round", the Tribunal determined that only 75% of Broadlands' management fee across the years in dispute is to be considered a relevant cost for the purposes of calculating the Leaseholders' service charges.

183. As far as Principle is concerned, the Tribunal appreciated it had inherited a rather poorly-managed Allis Mews Estate. However, it did not properly rectify the service charge apportionment issue. It did not resolve the "garden" maintenance issue. In that regard, it incurred a late payment administration fee of £120 in October 2023, which is difficult to excuse considering it is being paid precisely to ensure efficient management of these sort of issues. The accounts for 2022, 2023 and 2024 were excessively delayed. To that extent, the Tribunal found its services were also not provided to a reasonable standard. It determined that some of the matters were not of its own making, but it failed to rectify them. 20% of its fees are not to be considered relevant costs for the purposes of calculating the Leaseholders' service charges. This deduction sufficiently took account of the late payment administration fee so no further deduction was appropriate on that basis.

Accountancy fees – All service charge years in dispute

184. The leases include an obligation on the Leaseholders to contribute to the Freeholders' costs of accounting.

185. The Leaseholders' main concern appeared to be that the accountants had prepared accounts on the basis of incorrect apportionments. However, this was not their responsibility and there was nothing obviously unreasonable or sub-standard about the way in which the accounts themselves had been prepared (subject to the peculiar scheduling, but that was also primarily a matter for the Freeholders' managing agents rather than the accountants).

186. Accordingly, the Tribunal found that these charges were payable in full by the Leaseholders for all years in dispute. The Tribunal determined that any failure of the Freeholders' managing agents to coordinate the prompt provision of accounts and

apply the correct apportionments would be better considered as part of the Leaseholders' challenge to their management fee.

Accounts preparation fees – 2022 and 2023

187. The leases include an obligation on the Leaseholders to contribute to the Freeholders' costs of management and accounting.

188. Principle charges accounts preparations fees in order to better prepare documents for the accountants to review when they prepare the accounts. The Freeholders submit that this results in an overall saving by keeping the accountants' fees lower. It is clear to the Tribunal that a change in accounting presentation was necessary from 2022 and would likely have cost a significant amount in independent accountancy fees. On that basis, the Tribunal accepted that these costs were reasonably incurred and payable in full. The fact that the fee was slightly higher than usual due to previous failures has been accounted for in a deduction to the management fees and there was nothing unreasonable about it in and of itself. This cost is therefore payable in full.

Adiuvo out-of-hours hotline – 2022 and 2023

189. The Freeholders contracted with Adiuvo for an out-of-hours emergency hotline upon Principle taking over management of the Allis Mews Estate. It was used within two months in the context of the 2022 drainage issue.

190. The Leaseholders believe the costs to be too great or the service not of a reasonable standard. The Tribunal found that the Adiuvo service is a popular nationwide service that many Freeholders use. It was used by the Leaseholders. The costs did not appear to the Tribunal excessive and the Freeholders are entitled to management discretion about offering this sort of service. As explained in relation to the drainage issue, the Tribunal did not accept that the service was in fact unresponsive to the Leaseholder of Flat 6 in 2022. Even if it was on one occasion, they were able to contact the service successfully twice. A single missed call does not make the service overall of an unreasonable standard, even if that were true. This cost is therefore payable in full.

Professional fees – Broadlands handover costs

191. Upon handing over management of the Allis Mews Estate to Principle, Broadlands charged a fee of £900. The Tribunal has already explained that the work done by Broadlands had not been of a reasonable standard. This likely resulted in this handover fee being higher than necessary. For similar reasons, the Tribunal

determined that only 50% of this fee should be considered relevant costs for the calculation of the Leaseholders' service charge.

Professional fees – Principle set-up costs

192. Upon taking over management of the Allis Mews Estate, Principle charged a fee of £600. The Tribunal was informed that this was, at least in part, due to the significant matters that Broadlands had passed over to Principle to address. The Tribunal considered that this was a one-off fee related to the change of managing agent. Previous failures had been addressed by deductions applied to prior management and handover fees. The Tribunal did not consider it unreasonable for the Freeholders to have agreed a fee with Principle to take over the management of the Allis Mews Estate. Accordingly, this fee is payable in full.

Professional fees – Solicitor costs of advice in respect of the leases

193. Upon taking over management of the Allis Mews Estate, Principle instructed solicitors to advise on the requirements of the leases, notably in respect of the apportionment issue, for a fixed fee of £480. The Tribunal determined that Freeholders should appreciate the contents of their own leases. They should not require advice on them, which appears only to have been sought because it had come to light that they had failed to understand their contents previously. Furthermore, even now, it appears that the Freeholders have not fully appreciated the requirements of the leases, so either the advice was of limited use or not fully followed. Whichever way the matter is considered, the fee was not reasonably incurred and none of it is to be considered a relevant cost for the calculation of the Leaseholders' service charge.

Bank charges

194. Pinnacle states that it incurs fees in holding a bank account for the Allis Mews Estate at a cost of £71.10. This was not charged previously. The Tribunal considered that this cost should be considered part of Principle's overheads and it is not reasonable to incur the fee separately, as a distinct cost. The charges are not to be considered a relevant cost for the calculation of the Leaseholders' service charge.

Administration charges

195. The Freeholders determined to waive the late payment administration charges it had demanded from the Original Respondents in 2023. Matters of interest and costs will be for the County Court to determine.

196. Late payment administration charges had been levied against the other Leaseholders also in 2023. The Tribunal could see no reason why they should not be treated in the same way. The Freeholders made significant financial concessions at the hearing, which have been increased by the Tribunal's findings. Had those adjustments been made prior (and there is no good reason why they could not have been), the Leaseholders would likely not have been in arrears. The Tribunal found that the breakdown in the parties' relationship was largely down to the Freeholders' conduct (through Broadlands). Principle could have engaged more constructively with the Leaseholders, which may well have resulted in payments being recommenced. In the circumstances, there was only one likely outcome from applying administration charges, which is what has transpired – a complete cessation of all (or most) Leaseholders' service charge contributions. There was a wider and genuine dispute that needed resolving. It was unreasonable to have sought to resolve it via imposition of administration charges. The Tribunal is very mindful that Leaseholders should not simply withhold service charges in such circumstances. Normally, incurring and having to pay administration charges for doing so would be only to be expected, as outlined in the leases. However, this appeared to the Tribunal a rather exceptional case.

197. Accordingly, no amount of the late payment administration charges levied against any of the Leaseholders in 2023 was reasonably incurred and none of them are payable. The Tribunal notes in addition that the Leaseholders of Flat 11 appear to have been paying their service charges by way of monthly instalment. It was entirely unreasonable to have levied on them an administration charge in such circumstances.

"On account" service charges

198. As to the County Court claims that actually resulted in these proceedings, few real issues remained in dispute. The Leaseholders' concerns were mainly in relation to general and prior management issues than to any specific items that constituted the "on account" service charges.

199. In light of the fact that the "Block" as defined by the leases does not contain any trees, the Freeholders accepted that budgeting for a tree survey was unreasonable. The budgeted sum of £1,500 related to service charge year 2023 is therefore not payable.

200. The Leaseholders appeared to be saying that various other budgeted items were excessive in cost, however the Tribunal did not consider those assertions to be proven. The anticipated cost of health and safety checks did not appear excessive, nor were provisions on account of potential repairs. Repairs to both the Flats and Accessway

could be reasonably expected. Just because they might not have been required previously, or undertaken (e.g. potholes), is not a good basis for not budgeting for them. Similarly in relation to gutter cleaning.

201. Plainly some of the issues that were budgeted for previously may not be budgeted for in the same way now if matters have since been discussed or settled between the parties (e.g. in relation to electricity), but it is important to consider the reasonableness of the budgets and correlating demands at the time they were made. Much of the dispute that has now taken place had not been clearly ventilated at the time. Incorrect apportionment may well have an impact on budgeting, but as clear issues in that regard were not raised at the time, there is no good reason to find the budgets and demands to have been inherently invalid or unreasonable at the time they were produced.

202. Accordingly, save in relation to the tree survey, the "on account" demands are payable in full.

Costs

203. The Original Applications have resulted in a determination that most of the "on account" service charges from 2022 and 2023 demanded in the County Court claims are payable. However, the concessions made by the Freeholders in addition to the matters determined by the Tribunal indicate that a large part, if not all, of the debts would have been expunged had these proceedings taken place sooner.

204. The s.27A Application has also been largely successful on the main issue – apportionment. This was at the heart of the parties' wider dispute. The application has succeeded in several other significant respects also. Administration charges have been found not to be payable.

205. The s.27A Application was also unsuccessful in many respects. These issues took up considerable time in the preparation of the case, at the hearing and in the Tribunal's deliberations. The Freeholders were put to considerable work locating and presenting documentation from many years ago. On the other hand, that task would have been far easier had the management of the Allis Mews Estate been better over the years.

206. The Freeholders have fully participated in the proceedings and made considerable concessions towards resolving the dispute. However, they did so at a very late stage, on the eve of the hearing. For matters outside their control, all matters could not be resolved at the hearing. Further disclosure and the presentation of written

submissions was required and the Freeholders' advisors ultimately ended up professionally summarising, collating and clarifying many issues without which the Tribunal's task would have been more difficult. This in fact benefitted both parties, even if the Leaseholders do not appreciate that.

207. Overall, the Tribunal determined that it would be just and equitable to allow the Leaseholders' application under section 20C of the Landlord and Tenant Act 1985 but only in respect of 50% of the Freeholders' costs in connection with these First-tier Tribunal proceedings (i.e. this order will have no effect on the costs of the County Court proceedings).

208. As to the Leaseholders' application for an order under paragraph 5A of Schedule 11 to the Commonhold and Leasehold Reform Act 2002, the Tribunal allowed it. The Leaseholders have very much collaborated together in these proceedings and any associated costs should be borne by them mutually through their service charges rather than individually through administration charges. Again this order is referable only to the costs of the First-tier Tribunal proceedings.

209. As to the reimbursement of Tribunal fees, the Leaseholders have been successful in the core elements of the s.27A Application, which justified them bringing these proceedings. This has been reflected in the orders above. However, in doing so, the Tribunal found that they raised many unsubstantiated allegations, sometimes about relatively trivial matters, that stood little chance of success. These matters added nothing to the proceedings and unnecessarily prolonged them for all concerned. On this basis, the Tribunal was satisfied that it should not order the Freeholders to reimburse any part of the Tribunal fees incurred.

Judge M. Hunt

4 December 2025