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

<b>Case Reference</b>	:	HAV/00MS/LSC/2025/0649 HAV/00MS/LSC/2025/0650
<b>Property</b>	:	116A and 116B Graham Road, Southampton SO14 0AZ
<b>Applicants</b>	:	David Bond Linda Brady
<b>Respondent</b>	:	Hyde Housing Association
<b>Representative</b>	:	Alexander Bunzl - Counsel
<b>Type of Application</b>	:	Application for a determination of liability to pay service charges: section 27A Landlord and Tenant Act 1985. Landlord's costs: Section 20(C) Landlord and Tenant Act 1985 and paragraph 5A Schedule 11 Commonhold and Leasehold Reform Act 2002
<b>Tribunal:</b>	:	Judge T. Hingston P. Cliffe-Roberts FRICS M. Jenkinson
<b>Date of Decision</b>		17 <sup>th</sup> November 2025

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**DECISION**

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## **SUMMARY OF DECISION**

**The Tribunal determines that the service charge for both flats for the year 2024 - 2025 is £9.56 per week.**

**For the year 2025 – 2026 the service charge for both flats is determined at £24.99 per week.**

**Orders are made under Section 20C and Schedule 11 Paragraph 5A as above that the Respondent may not recover the administration charges and costs of the proceedings from the Applicants by way of service charges.**

## **BACKGROUND**

1. The property in question, 116 Graham Road, is a two-storey terraced house in a residential road. It has been converted into two flats.
2. Flat 116A, the ground floor flat, is let on an Assured tenancy to Mr. David Bond, the first Applicant.
3. Flat 116B, the first floor flat, is let to Ms. Linda Brady, the second Applicant.
4. The freehold is held by Hyde Housing Association, the Respondent.
5. The rent, together with a variable service charge, is payable weekly in advance. An 'Estimated Service charge account' is sent out in February each year, with a new charge taking effect from the 1<sup>st</sup> of April the same year. The service costs are generally split equally between the two flats.
6. Mr. Bond made an application dated 21<sup>st</sup> March 2025 for determination of liability to pay and reasonableness of the service charges for the years 2024/2025 and 2025/2026.
7. The Tribunal received a similar application (dated 22<sup>nd</sup> March 2025 and in the same terms) from Ms. Brady.
8. For the year 2024/25, the Housing Association (hereafter referred to as 'Hyde') proposed a weekly charge of £22.38 per flat, but this was later reduced to £16.50 per week for Flat 116A and £18.01 for Flat 116B (after the '*Controlled Door Entry Costs*' were challenged and found to have been charged in error – see post). Other elements of this charge remain in dispute.
9. For the year 2025/26, Hyde proposed a weekly charge of £52.93 per week for both flats. All elements of the charge are disputed.
10. Initially Mr. Bond had withheld payment of the charges, but when a Notice seeking Possession was issued on 14<sup>th</sup> of June 2025 he paid the disputed sums.

11. Both Applicants further seek orders pursuant to Section 20C of the Landlord and Tenant Act 1985 and paragraph 5A of Schedule 11 of the Commonhold and Leasehold Reform Act 2002.

12. Directions were issued on the 28<sup>th</sup> May 2025 and it was stated that the Tribunal would join the cases together for the purposes of the final hearing unless any party objected within the next 14 days. No objection was received.

13. A bundle comprising 157 pages of statements, documents, photographs and other exhibits was provided to the Respondent and the Tribunal.

## **TENANCY AGREEMENTS**

14. Mr. Bond's Assured Tenancy Agreement is at Page 57 of the bundle. It is a weekly tenancy with a variable service charge.

15. At the commencement of the tenancy on 15<sup>th</sup> February 2021 the service charge was £0.03 per week, but it was said to increase to £1.98 per week from the 15<sup>th</sup> of April 2021.

16. At Clause 3, Paragraph 7 of the Agreement [Page 65 of the bundle] under the heading '**Paying your Rent**' it states as follows: -

17. *'We will make charges for services we provide. We may change, add to, extend, reduce or withdraw these services, if we consider it necessary, by giving you at least four weeks' notice. We will charge you for these services either on the basis of reasonable costs we have had to pay during the previous accounting year or of estimates for the current or next accounting year. We may carry forward the difference between any estimate and the actual cost to the next financial year.'*

18. At 3.8. it states: *'We will normally increase your service charge at the same time we increase your rent, although we may make adjustments to your service charge during the year. We would not increase your service charge more than twice in one year.'*

19. At 3.9 it states: *'We may set up a sinking fund which we will use for any unusually heavy costs to be paid for by the service charge account in the future.'*

20. At 3.10 it states: *'We will provide a yearly account of the service charges costs, the service charges due, and the amount we hold in the sinking fund, if any.'*

21. Clause 4 deals with 'Repairs and Improvements' and sets out the respective obligations of landlords and tenants. The landlords have responsibility for the main structure and exterior of the building. As far as the common entrance hall is concerned, Paragraphs 14 and 15 state:

- *'We will make sure we keep shared entrances, halls, stairways, lifts and passageways and other shared areas repaired.'*
- *'We will decorate the outside of your home and any shared areas regularly.'*

22. Under Clause 6, '**Consultation and involvement**' [Page 72] at paragraph 1 it is stated that -

*'We will consult you before we change how we manage your property if it is likely to have a significant effect on you.'*

23. At Page 78, Clause 12 '**Service charges**' the Agreement provides that:

*'From 1 October 2007, a summary of a tenant's rights and obligations must accompany any demand for the payment of a service charge. These legislative changes were introduced, by section 153 of the Commonhold and Leasehold Reform Act 2002 which inserts section 21B into the Landlord and Tenant Act 1985.'*

24. Under the heading '**Summary of tenants' rights and obligations**', the Section 20 Landlord and Tenant Act 1985 'consultation requirements' are duly set out.

25. Ms. Brady's Tenancy Agreement is at Page 84 of the bundle. It too is a weekly Assured Tenancy with a variable service charge. The tenancy commenced on the 17<sup>th</sup> of July 2000.

26. In terms of the landlord's obligations, they are responsible for the main structure and exterior of the building as well as the hallway or 'common parts', as with Mr. Bond's agreement.

27. At the beginning of the tenancy the variable service charge was £15.95 per week.

28. At Clause 3.3, the Respondent undertakes to provide a statement of the actual costs incurred in providing services and managing the property each year and '*...making a reasonable provision for expenditure in future years...*' with adjustments for over- or under-payments.

29. Under Clause 3.4, the tenant is entitled to inspect accounts related to the service charge expenditure and, if dissatisfied, apply to a court to determine the reasonableness of the service charges (which, under Section 27A of the Landlord and Tenant Act 1985, includes the First-tier Tribunal's jurisdiction to assess the payability and amount.)

30. Clause 55 obliges the landlord to consult with tenants before '*...making changes in matters of housing management or maintenance which are likely to have a substantial effect on the Tenant.*'

## **RELEVANT LAW**

31. See Appendix.

## **HEARING**

32. The hearing was held at Havant Justice Centre on the 9<sup>th</sup> of September 2025. Mr. Bond attended in person and Mr. Bunzl of counsel attended on behalf of Hyde Housing Association, with Ms. Donna Jones, Rent and Compliance Manager at Hyde, as his witness.

33. Ms. Brady did not attend the hearing and she had not expressly given authority for Mr. Bond to speak on her behalf, but both Applicants had expressed a willingness (in their statements) for the cases to be joined. Mr. Bond's evidence was that he and Ms Brady (as the only two tenants in the building) had prepared the documentation together and their cases were essentially the same. He said that he understood Ms. Brady may not have been able to attend because of family issues with her mother.

34. The Respondent's counsel made representations to the effect that Ms. Brady's case should be struck out because of her failure to give any account of herself. The Tribunal considered the provisions of Rule 34 of the Tribunal Procedure (First-tier Tribunal) (Property Chamber) Rules 2013, which states as follows: -

*(1) If a party fails to attend a hearing the Tribunal may proceed with the hearing if the Tribunal—*

*a) is satisfied that the party has been notified of the hearing or that reasonable steps have been taken to notify the party of the hearing; and*

*b) considers that it is in the interests of justice to proceed with the hearing.*

35. In the circumstances, as Ms. Brady had been notified of the hearing and the cases had been joined, the Tribunal found that it was in the interests of justice for the hearing to go ahead.

36. It was not appropriate to strike out or adjourn Ms. Brady's Application merely because she was not there in person: the Respondents had no questions for the Applicants which could not be answered by Mr. Brady alone, and the Tribunal found that there would be no prejudice to their case by proceeding. This course of action was found to be consistent with the overriding objective of the Rules. i.e. - 'to deal with cases justly and fairly'.

37. Later on the day of the hearing on the 9<sup>th</sup> of September 2025, the Tribunal received an email from Ms. Brady confirming that she was having difficulties looking after her seriously sick mother but that she gave Mr. Bond authority to act on her behalf.

## **APPLICANTS' CASE**

38. **Mr. Bond's case** is set out in the Application form, in his Statement of Case dated 22<sup>nd</sup> June 2025, in his reply to the Respondent's statement (together with other documentation and correspondence), and in his oral evidence and submissions during the hearing.

39. Mr. Bond's Application form seeks determination in respect of the years 2024/25 and 2025/26. It states [at Page 13 of the bundle] as follows: -

*I request that the Tribunal determine:*

- Whether I am liable to pay these estimated service charges as presented.*
- Whether the amounts are reasonable in light of the services/works proposed for 2025/26.*
- Whether the landlord has provided sufficient evidence to justify these estimated costs under the terms of my lease and relevant legislation.'*

40. Mr. Bond states that there was a 'pattern of overcharging' by Hyde, as there had been unjustified charges in previous years. Eventually (after considerable delays) £848.88 was credited to his account in 2024 in response to some of his objections which were found to be valid.

41. In terms of disputed elements of the service charges for each of the two years now in issue, Mr. Bond's submissions were under the following headings:

**42. 2024/25 (Estimated Account at Page 130 of the bundle)**

a) 'Controlled door entry' - £309.21 per flat

Mr. Bond told the Tribunal that this item had already been challenged (as above), because it had been charged in error: there is no door entry system at the property. The weekly service charge had been amended accordingly.

b) 'Fire safety - contract servicing' - £360.83 per flat

Mr. Bond stated that the only service provided under this heading was a 30-second monthly test of the single smoke alarm in the tiny communal hallway. There had been no explanation for why the total figure for the same service had increased dramatically from £149.09 in 2022 [Page 121] to £721.22 in 2024 [Page 130].

The amount claimed for this supposed 'servicing' was also in excess of £250 per flat, thus triggering the requirement for consultation with tenants under Section 20 of the Landlord and Tenant Act 1985 (hereafter referred to as 'the 1985 Act'). Mr. Bond said that he did not think there had been any consultation with tenants about it.

c) 'Fire safety – Responsive repairs' - £336.84 per flat

Mr. Bond's evidence was that no repairs had been carried out during the relevant period. There was no explanation for the £673.74 total charge in respect of this item of services.

The hallway only contains one smoke alarm and one lightbulb and neither of these had been replaced. Once again the alleged costs exceeded £250 per flat but there had been no consultation.

d) Management charge - £160.08 per flat.

It was submitted that this charge lacked a detailed breakdown to justify the amount payable for minimal oversight.

**43. 2025/26 (Estimated Account at Page 138 of the bundle)**

a) 'Electrical Maintenance including Bulbs and Inspections' - £1,531.44 per flat

Mr. Bond submitted once again that this charge was excessive in view of the size and nature of the hall, which measures 105cm x 250cm. Photographs of the hall were exhibited.

In his oral evidence to the Tribunal, Mr. Bond said that the electrical maintenance test had been carried out the previous day, on the 8<sup>th</sup> of September 2025. The engineer had been present for about 3 hours, and Mr. Bond said that in his experience in the building trade electrical testing for much larger properties had cost less than the £3,062.40 total charged in this case.

b) 'Fire Safety – Contract Servicing and Risk Assessment' £370.21 and £242.46 respectively per flat.

Mr. Bond argued that these costs were excessive and unreasonable, and he referred to the simple monthly 'check' of the smoke alarm by exhibiting the record sheet at Page 150 of the bundle. It was stated that there was no evidence of what these costs related to, and in respect of the first item ('contract servicing') there had been no Section 20 consultation and no quotes or estimates had been provided.

In oral evidence at the hearing Mr. Bond stated that on one occasion since he and his partner moved into the flat in 2021 a contractor had visited the property to install smoke brush 'trunking' along the base of the door, carry out a foam repair to the junction of hallway wall and ceiling, and fit a box in which the inspection log is now kept.

Mr. Bond also pointed out that the Respondent refers to a 'fire detection system' in Flat 116B which has to be tested and serviced 3 -4 times per year [Respondent's Statement, Page 53 of the bundle], but he queried whether he should share half of this cost when there is no such system in his flat, 116A.

c) 'Deficit from previous years' - £58.92

There was no explanation or detail as to where this deficit arose from, except for a sentence in the email from Mr. Mark Brown (Senior Service Charge Officer) to Mr. Bond dated 27<sup>th</sup> June 2025 [Page 154], in which he states that '*...costs for 2024/25 were more than estimated*' and a line in the Respondent's Statement [Page 54] referring to an 'overspend' in 2023/24.

d) Management Charge - £320.16 per flat

Mr. Bond submitted that this charge had doubled from the previous year, without any explanation or justification.

e) 'Provisions' - £236.73 per flat

Mr. Bond queried the reasonableness and transparency of this element. He said that he had been given no explanation at all as to what the provision was for, or any estimate as to possible works.

44. In conclusion, Mr. Bond asked the Tribunal to determine the reasonableness and payability of the service charges for the relevant years, in the light of the substantial increase in costs and the lack of consultation or explanation. He stated that, despite asking for evidence to support the charges, which he had requested in 2023 and 2024, he never received anything from the landlords.

He submitted [Page 43] that :

*'The Respondent's Notice of Seeking Possession (14 June 2025) demonstrates the financial burden and eviction risk caused by enforcing unverified estimated charges, which represent a 42% increase in my rent obligations. This is unreasonable and prejudicial, given their significant increase and lack of evidence (per Section 12.2 and Section 20 requirements).'*

45. **Ms. Brady's case** is set out in the Application form and in her Statement of Case dated 22<sup>nd</sup> June 2025. She echoes the concerns and objections set out by Mr. Bond and seeks determination for the same two years.

46. In her statement at Page 46 Ms. Brady states that:

*I argue that the £18.01 per week (2024/25) and £52.93 per week (2025/26) charges are not reasonable, as no evidence supports the claimed repairs to electrical fittings or fire safety measures, and no statement of actual costs has been provided for 2024/25 or justified for 2025/26 estimates ...as required by Clause 3.3...’, and she submits that this undermines transparency.*

47. She goes on to say that, as per Clause 3.4, the landlord’s failure to provide ‘inspectable’ accounts further weakens their claim.

## **RESPONDENT’S CASE**

48. The Respondent’s case is set out in their ‘Response to the Applicant’s Statement of Case’, dated 23<sup>rd</sup> of July 2025, and in the evidence given by Ms. Jones during the hearing.

49. Ms. Jones told the Tribunal that Hyde Housing Association own and manage over 50,000 properties of all kinds and descriptions. Separate contract managers are responsible for the various different kinds of works.

50. As to the disputed elements of the service charges in this case, Ms. Jones’ evidence was as follows: -

### **51. Year 2024-25**

#### **a) ‘Controlled door entry’ - £309.21 per flat**

Ms. Jones confirmed that this item had been incorrectly entered by the contract manager, who would not have visited the property in person but who would have had access to records and had ‘in-depth knowledge’ of the services that they supplied. The service charge figures for this year had been corrected (by deducting £5.95 per week) after the error was brought to their attention.

#### **b) ‘Fire safety - contract servicing’ - £360.83 per flat**

Ms. Jones did not produce any evidence of invoices or receipts to justify this charge. She stated that the contract managers would have knowledge of exactly what works were needed and when.

However, as to the contract with the relevant fire safety company, Ms. Jones stated that it was a ‘qualifying long-term agreement’ under Section 20 of the 1985 Act, and Hyde had followed the correct consultation procedure in September 2021 before the contract began.

#### **c) ‘Fire safety – Responsive repairs’ - £336.84 per flat**

Ms. Jones did not produce any evidence of invoices or receipts to justify this charge. She stated that the contract managers would have knowledge of what works were needed and when.

#### **d) Management charge - £160.08 per flat**

Ms. Jones’ evidence was that Hyde used to charge a 15% management fee, which covered tasks such as income collection, customer services, neighbourhood officers and service charges. In 2022 this was changed to a fixed fee as above.

### **52. Year 2025-26**



a) 'Electrical Maintenance including Bulbs and Inspections' - £1,531.44 per flat

Ms. Jones stated that the EICR certificates had to be renewed every 5 years. They were last done in 2020 and were therefore due in 2025. She thought that the total cost for the certification would be approximately £1,000 including VAT, but the estimate for this year's cost would have been calculated by the electrical contract manager, who would have based it on his experience of similar-sized properties. No actual invoices or estimates were produced in evidence but Ms. Jones speculated that the electrical consumer unit might need to be replaced and this might increase the cost.

There was an assumption that works might be needed, and provision was made for possible expenditure.

As to the electricity provider, Ms. Jones stated that there had been a Section 20 consultation process which was completed in January 2023, and they now have a 4 – 5 year agreement.

b) 'Fire Safety – Contract Servicing and Risk Assessment' £370.21 and £242.46

Ms. Jones' evidence was that the property was on a mandatory 3-year cycle for Fire Risk Assessments, even if no repairs or works were needed. It was her understanding that these costs were for the whole building and the communal area and not for individual flats.

c) 'Deficit from previous years' - £58.92 – Flat 116A

No further explanation or illustration was given for this item.

d) Management Charge - £320.16 per flat

Ms. Jones stated that the amount of this charge was reviewed in 2024 because they found that they were not covering their costs. The current figure of £320.16 per flat per annum was said to be reasonable.

e) 'Provisions' - £236.73 per flat

The Respondent's 'Response' [Page 54] states that this figure was for '*services newly introduced this financial year... for major works*' including '*...internal and external cyclical decorations*'.

Ms. Jones told the Tribunal that emails had been sent out in November 2024 about the proposed external decorations, and Hyde would follow the full Section 20 consultation procedure before going ahead. There was no actual breakdown or explanation for this figure.

53. In conclusion Mr. Bunzl submitted on behalf of the Respondent that all the service charges were reasonable and payable, the estimated cost figures (in accordance with the Tenancy Agreements) were arrived at through the knowledge and experience of the contract managers, and then there was a reconciliation at the end of each year.

## **COSTS AND ADMINISTRATION CHARGES**

54. Both Applicants are seeking orders that the Respondent's costs of these proceedings and administration charges are not recoverable through future service charges.

55. Mr Bond says:

*'My challenge is justified due to the Respondent's failure to provide evidence of repairs, comply with Section 20 consultation requirements, or justify the significant increase in charges for a minimal communal area. The Respondent's Notice of Seeking Possession (14 June 2025) for unpaid service charges, which I paid to avoid the risk of eviction, demonstrates their attempt to enforce unverified charges, unfairly burdening me and other tenants and discouraging legitimate challenges.'*

56. He goes on to request that:

*'Per Paragraph 5A of Schedule 11 to the Commonhold and Leasehold Reform Act 2002, (the Tribunal) order that the Respondent's litigation costs are not recoverable from me as a tenant, as my application is a reasonable response to excessive and unsubstantiated charges.'*

57. On behalf of the Respondents it was submitted that Hyde were contractually entitled to recover their costs from the tenants, and no orders for limitation of costs and /or administration charges should be made.

## **FINDINGS AND DETERMINATION**

58. The Tribunal found that, although the landlord Hyde appear to have carried out proper consultation before entering into qualifying long-term agreements with electrical and fire safety contractors, they should still have followed the procedure in respect of any actual works costing in excess of £250 per flat (Schedule 3 of the Service Charge (Consultation Requirements)(England) Regulations 2003).

59. The Tribunal found that evidence as to the qualifying long-term agreements was vague and imprecise, with no documentary record presented of any Notice or consultation.

60. Even if there was proper consultation before entering into the agreements (as Mr. Bond conceded that he may have received some correspondence on this topic) there was no documentary evidence (of consultation, estimates or quotations for some of the works) provided either to the Applicants upon request or to the Tribunal during the hearing.

61. The Respondent did not make any application for the consultation requirements to be dispensed with.

62. In the circumstances the Tribunal found that the amounts payable by the tenants for these works was limited to £250 per flat.

63. The service charges for the two years in dispute are therefore determined as follows: -

### **64. Year 2024 – 2025**

a) 'Controlled door entry' - £309.21 per flat

This item should not have been charged at all. The contribution is therefore reduced to £0 per flat.

b) 'Fire safety - contract servicing' - £360.83

There is no evidence before the Tribunal that any works of this kind were done at all, and therefore the Tribunal found that a reasonable cost under this heading would be £175 in total, taken from the figure of £149.09 in the 2022-2023 accounts with an uplift for inflation.

In the circumstances the amount payable is determined at £87.50 per flat.

c) 'Fire safety – Responsive repairs' - £336.84

There is no evidence of any consultation, so the amount claimable is restricted to £250 per flat.

d) Management charge - £160.08

The management charge was found to be reasonable. £160.08 per flat is payable.

**The total payable for the year 2024/25 is therefore determined at: £497.58 per flat, which is £9.56 per week.**

**65. Year 2025- 2026**

a) 'Electrical Maintenance including Bulbs and Inspections' - £1,531.44 per flat

This amount, without any invoice or evidence to support the estimated cost, was found to be excessive and unreasonable for a property of this nature.

Unless the correct Section 20 procedure is followed, the amount claimable is restricted to £250 per flat in any event.

b) 'Fire Safety –

i) Contract Servicing £370.21, and

ii) Risk Assessment' £242.46

The estimated cost of contract servicing exceeds £250 per flat, so the amount claimable is restricted to that sum unless and until the Section 20 consultation procedure is followed. The cost of the Risk Assessment, however, was found by the Tribunal to be reasonable in order to comply with safety regulations.

c) 'Deficit from previous years' - £58.92

The landlord did not produce documentary evidence of any kind to support this charge. No sum is payable in respect of this item.

d) Management Charge - £320.16

This charge was found to be reasonable.

e) 'Provisions' - £236.73

Whilst it is clearly good practise to make provision for future expenditure, there is no evidence or explanation as to how this figure was calculated. The tenants are entitled to information, but the terms of the tenancy agreements have not been adhered to in this respect.

Mr. Mark Brown, the Service Charge Officer who responded to Mr. Bond's letter, apparently had no knowledge of this particular property and he had limited information to give. The Tribunal found that Hyde is such a large association that it appears that some of their charges are generic rather than being appropriate to the individual property, and therefore the costs cannot all be said to be 'reasonably incurred'.

In the case of this particular item, however, the Tribunal determines that £236.73 is a reasonable amount to provide for future expenditure and the cost is reasonable and payable.

**The total amount payable for the year 2025/26 is therefore determined at £1,299.35 per flat, which equates to £24.99 per week.**

### **COSTS AND ADMINISTRATION CHARGES**

66. The Tribunal found that the Applicants' case had merit, and their challenges to the different elements of the service charges were valid. The Respondents had failed to support the charges by providing explanation of and/or evidence for the costs, some of which had been incorrectly included in the accounts.

67. The Tribunal therefore found that it was just and equitable to make orders under Section 20C and Paragraph 5A of Schedule 11 as above that the Respondent's Administration charges and costs of the proceedings may not be recovered from the tenants by way of service charges.

### **RIGHTS OF APPEAL**

1. A person wishing to appeal this decision to the Upper Tribunal (Lands Chamber) must seek permission to do so by making written application by email to [rpsouthern@justice.gov.uk](mailto:rpsouthern@justice.gov.uk) to the First-tier Tribunal at the Regional office which has been dealing with the case.
2. The application must arrive at the Tribunal within 28 days after the Tribunal sends to the person making the application written reasons for the decision.
3. If the person wishing to appeal does not comply with the 28 day time limit, the person shall include with the application for permission to appeal a request for an extension of time and the reason for not complying with the 28 day time limit; the Tribunal will then decide whether to extend time or not to allow the application for permission to appeal to proceed.
4. The application for permission to appeal must identify the decision of the Tribunal to which it relates, state the grounds of appeal, and state the result the party making the application is seeking.

