FIRST-TIER TRIBUNAL
PROPERTY CHAMBER
(RESIDENTIAL PROPERTY)

Case Reference	**:**	HAV/00LC/LSC/2025/0697
Property	**:**	75B Skinner Street, Gillingham, Kent, ME7 1LD
Applicant	**:**	Diana Logan
Representative	**:**	N/A
Respondent	**:**	Cormorant Limited
Representative	**:**	George Ide LLP Solicitors
Type of Application	**:**	Determination of liability to pay and reasonableness of service charges Section 27A Landlord and Tenant Act 1985
Tribunal	**:**	Judge R Cooper
Date of Decision	**:**	26 November 2025

DECISION

Summary decision

(a) Any demand by the Lessor for an interim maintenance charge in an amount of more than £100 is not payable.

(b) Service charges for the 2023/24 and 2024/25 accounting years are not payable by the Applicant because the Respondent has not provided a certified Maintenance Charge account in accordance with the lease.

(c) The Applicant has the right to withhold payment for the service charges for the 2023/24 and 2024/25 accounting years because the Respondent has not served the Applicant with the prescribed Summary of Tenants Rights and Obligations.

(d) In the event the service charges for the 2023/24 accounting year become payable, the Applicant's share of the service charge in respect of the Property for the accounting year to 29 September 2024 is £1,297.76.

(e) In the event the service charges for the 2024/25 accounting year become payable, the Applicant's share of the service charge for the accounting year to 29 September 2025 is £1,219.93.

(f) The Applicant's application for Orders under s20C of the Landlord and Tenant Act 1985 and paragraph 5A of Schedule 11 of the Commonhold and Leasehold Reform Act 2002 are allowed.

(g) The Respondent must pay to the Applicant the fees of £114 for this application.

In this decision references to the page number of the documents are referred to thus [ ].

Background

1. On 23 May 2025 the Tribunal received an application from Diana Logan ('the Applicant') for determination of liability to pay and reasonableness of service charges for the 2024 and 2025 accounting years in respect of 75B Skinner Street, Gillingham, Kent, ME7 1LD ('the Property'). She also sought an order pursuant to paragraph 5A of Schedule 11 to the Commonhold and Leasehold Reform Act 2002 ('the 2002 Act').

2. The Respondent to the application is Cormorant Limited. SE1 Limited ('SE1') are the managing agents for the Property.

3. A case management hearing took place on 26 September 2025 attended by both parties, when directions were given as to the provision of information. Those directions have largely been complied with.

4. There was no inspection of the Property. None was requested and none was considered necessary for a fair determination of the issues.

Preliminary consideration

5. Neither party requested an oral hearing of this application. At the case management hearing on 26 September 2025, it was agreed the determination would be made on the papers. However, each party was given an opportunity to request a hearing within 28 days. Neither did.

6. On 18 November 2025 the Tribunal reviewed and decided the matter remained suitable for determination on the papers without a hearing.

7. Before determining this application, this Tribunal has considered for itself whether a hearing is required. Having considered the overriding objective, the Tribunal decided that it is fair and in the interests of justice to proceed on the papers as requested for the following reasons.

8. No issues as to credibility of the parties arise. Whilst the Applicant's case might have been more clearly expressed, it is sufficiently clear to make a determination. The parties had both attended a case management hearing when the issues arising on the application were considered. Neither requested an oral hearing at that point or following the directions. It is a matter for each party to provide the information they wish to rely on regarding the issues in dispute. Clear directions were given for them to do so. There is sufficient documentary and written information for the Tribunal to make a fair decision.

The Issues for the Tribunal to determine

9. The principal issue for the Tribunal to decide is whether the service charge for the Property is reasonable and payable for the relevant accounting year(s).

10. The Applicant's dispute in relation to the service charge is not very clearly expressed. In her application the Applicant states she is disputing service charges for 2024 and 2025 (page 5). In providing details of the dispute (page 10 of the application) she says the following service charges are in dispute for the 2024 accounting year:

    Balance Brought Forward £4,707.93
    Interim Service Charge £693.02
    Ground Rental £12.50

11. She also made reference to the Respondent's alleged failure to repair, and maintenance work in the car park which she had personally paid for.

12. No separate information was provided for the 2025 accounting year.

13. The interim service charge the Applicant refers to in the application appears to be the interim charge for the 2024/25 accounting year ending on 29 September 2025 (for the reasons set out below) rather than the 2023/24 accounting year ending in September 2024.

14. In her statement of case, the Applicant refers to an interim service charge of £100 for the periods 29 September 2024 to March 2025 and March 2025 to 29 September 2025 [1]. Nothing is said about the previous accounting year.

15. The Applicant also challenges the

- the balance brought forward of £4,707.93 (it is not clear to which year this refers)
- the line item for repairs and maintenance which she says is not certified or specified (there is no amount for maintenance in the 2023/24 service charge demand)
- she (refers to the damaged wall between the car parks of 75 Skinner Road and Deana Court).

16. Putting these matters together the Tribunal is satisfied that primarily the Applicant's dispute relates to the accounting year from 30 September 2024 to 29 September 2025. However, in the light of the dates given in the application, the Tribunal considers also the accounting year to 29 September 2024.

17. The Tribunal has no jurisdiction to consider Ground Rent.

18. In addition, the Applicant seeks an order under paragraph 5A of the 2002 Act preventing costs relating to the application being added as an Administration Charge. Following the Case Management Hearing on 26 September 2025 the directions include consideration of an Order under s20C of the 1985 Act.

The Property

19. 75 Skinner Street (referred to in the lease as 'the Mansion') is a freehold property owned by the Respondent (Title Number K763771). It is divided into four flats that are registered under the freehold title. Flat 75B (Title Number K63925) is a ground floor flat to the rear of the building.

20. Viewed on Google street view the property appears to be a modern brick-built construction with a pitched roof most likely constructed in the 1980s around the time the leases were granted.

The Applicant's lease

21. The lease for the Property was granted by Price & Clarke Limited to Paul James Gordon Felix on 7 March 1987. The lease is for a term of 125 years from 25 March 1987. Diana Logan appears to have acquired the leasehold interest on 17 February 2017. The transfer was registered on 17 March 2017.

22. In summary, the provisions of the lease relevant to this application are as follows [21] to [30].

23. The Lessee's obligations are set out in Clauses 2, 3 and 4 and The First Schedule (which sets out restrictions).

24. The Lessee agrees amongst other things to pay the rent (Clause 3(a)) in two equal instalments on the 25 March and 29 September each year.

25. By Clause 3(b)(ii) the Lessee agrees to pay their share of *'the expenses incurred by the Lessor….('the Maintenance Charge') in respect of :-*

(a) The costs of and incidental to performance and observance of each and every covenant in Clause 5…
(b) ….
(c) All fees charges expenses and commissions payable to any agent…employed to manage and/or maintain the Mansion or in connection with the performance of each and every covenant in Clause 5…
(d) All fees charges and expenses payable to any solicitor accountant surveyor valuer or architect…employed in connection with either the management and/or maintenance of the Mansion or in connection with the enforcement of any of the Lessee's covenants..
(e) Any interest paid on any money borrowed by the Lessor to defray any expenses incurred in the performance of each and every covenant contained in Clause 5…'

26. By Clause 3(b)(iii) the Lessee also agrees

'To pay the Maintenance Charge in each period of twelve months ending the 29th day of September (hereinafter called 'the Maintenance Year') the amount of such payment to be certified by the Lessor his Managing Agent or Accountant… as soon as conveniently possible after the expiry of each maintenance year AND FURTHER on the 25th day of March and the Twenty-ninth day of September in each Maintenance Year to pay on account of the Lessees liability under this clause the Interim Maintenance Charges as specified in Paragraph 12 of the Particulars….PROVIDED THAT immediately upon the Lessor his managing agent's or Accountant's Certificate being given as aforesaid there shall be paid by the Lessee any deficiency between the amount paid by the Lessee on account of the Interim Maintenance Charge and the Maintenance Charge so certified and any excess shall be refunded to the Lessee.' [27]

27. The Particulars provide that the Lessee's share of the Maintenance Charge is one quarter (Paragraph 10) and the Interim Maintenance Charge is £100 (Paragraph 11) [20]. There is no paragraph 12.

28. The Lessor's covenants are contained in Clause 5. They include clause 5(d) which provides that the landlord/freeholder will

'maintain and repair and keep in good condition the main structure and foundations and common parts <u>including forecourt and access ways</u> and services….subject to the Lessee paying a due proportion of the cost thereof… ' [32]. (emphasis in the original)

11. By Clause 5(e) the Lessor covenants to insure the Mansion against the usual risks.

The Law

12. The law relevant to this application is set out in the appendix to this decision.

13. In summary, s18(1) of the 1985 Act defines 'service charge' as *'an amount payable by a tenant … which is payable, directly or indirectly, for services … and … the whole or part of which varies or may vary according to the relevant costs'*.

14. Section 18(2) defines 'relevant costs' as *'the costs or estimated costs incurred or to be incurred by or on behalf of the landlord … in connection with the matters for which the service charge is payable*.'

15. Under s27A of the 1985 Act the Tribunal has the jurisdiction to determine whether a service charge is payable and, if it is;

    (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.

14. A service charge is only payable to the extent that it has been reasonably incurred and if the services or works for which the service charge is claimed are of a reasonable standard (s19 of the 1985 Act). When service charges are payable in advance, no more than a reasonable amount is payable.

15. Under s20C a leaseholder may apply for an order that all or any of the costs incurred by a landlord in connection with proceedings before a tribunal 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.

16. A leaseholder may also apply to the Tribunal under paragraph 5A of Schedule 11 to the Commonhold and Leasehold Reform Act 2002 for an order which reduces or extinguishes the tenant's liability to pay an "administration charge in respect of litigation costs".

Reasons for the decision

17. The Applicant's case is set out in her application, statement of case and position statement [1-2]. The application was not included in the bundle (as it should have been) but has been taken into consideration in this determination.

18. The Applicant appears to be challenging
    (i) Service Charge demands for 2024 and 2025
    (ii) any demand for interim service charges that exceeds £100,
    (iii) the balance of Maintenance Charge brought forward of £4,707.93
    (iv) the specified line item for repairs and maintenance in the 2024/25 service charge demand on the grounds it has not been certified, and
    (v) the failure on the part of the Lessor to carry out repairs. In her application and statement of case she refers to the following
        - complete renewal of the flat roof including installation of fascias and guttering,
        - removal of Japanese Knotweed and rubbish from the communal car park which she paid for,
        - repair of the outside lights,
        - repairing the damage to the wall between the Property's car park, and the car park of the neighbouring property.

18. No documents were provided by the Applicant to support what she says apart from her lease.

19. The Respondent's case is set out in its statement of case [3-7] and supporting documents [19-119]. These include
    - copies of the lease and office copy entries from HM Land Registry,
    - the statement of account for the Property,
    - copies of the service accounts for each year from the Maintenance Year ending 29 September 2017 to that ending on 29 September 2025
    - invoices and other documents supporting the Maintenance Charge demands.

20. In summary, the Respondent says the Lessor sent final service charge accounts to the Applicant each year, all charges were reasonable and properly demanded under the terms of the Lease and are supported by the documents. Although the Applicant disputes the interim Maintenance Charge being more than £100, she has never paid any interim or final service charge demand since 2017. In relation to the £4,707.93 brought forward, this represents the amount owed by the Applicant since she acquired the lease.

Discussion and conclusions

21. In this application, the Tribunal is required to consider the provisions of the Applicant's lease.

22. The Supreme Court in *Arnold v Britton* [2015] UKSC 36 gave guidance on interpretation of leases. Lord Neuberger at paragraph 15 set out the approach that courts or tribunals should follow;

"When interpreting a written contract, the court is concerned to identify the intention of the parties by reference to 'what a reasonable person having all the background knowledge which would have been available to the parties would have understood them to be using the language in the contract to mean'.... And it does so by focussing on the meaning of the relevant words ... in their documentary, factual and commercial context. That meaning has to be assessed in the light of (i) the natural and ordinary meaning of the clause, (ii) any other relevant provisions of the lease, (iii) the overall purpose of the clause and the lease, (iv) the facts and circumstances known or assumed by the parties at the time that the document was executed, and (v) commercial common sense, but (vi) disregarding subjective evidence of any party's intentions". The Supreme Court confirmed there is no special rule of interpretation for leases and no requirement that terms in a lease should be construed restrictively (at [23]).

23. Applying these rules of construction, the Tribunal is satisfied in relation to the interim service charge, the lease allows for an interim maintenance charge of £100 to be demanded by the Lessor and which must be paid on 25th March or 29th September each year. That is the natural and ordinary meaning of the clause. There is no ambiguity. Nor is there provision in the Lease for that amount to be varied.

24. In relation to the final service charge demand each year, the Tribunal is satisfied applying the guidance in *Arnold v Britton* that the lease provides for certification of the amount of the final maintenance charge by either the Lessor, their managing agent or an accountant. Again, the ordinary meaning is clear, and the Tribunal is satisfied is consistent with the provisions of the lease as a whole. The concept of certification implies that the amount demanded of an individual lessee is confirmed to be accurate and supported by appropriate documentation.

Interim maintenance charge demands

25. There is no evidence before the Tribunal of any actual interim maintenance charge demand being issued in the 2024/25 or any earlier accounting year. The Applicant has not provided any letter from the Respondent or its managing agents making request for payment expressed to be a demand for an Interim Maintenance Charge. The Respondent says Ms Logan has not paid any Interim Maintenance Charge since she acquired the property in 2017.

26. However, the Statement of Account for the Property clearly shows amounts being added to Ms Logan's account half-yearly on 29 March and 29 September each year from 2017 to 2025. In the Maintenance Year ending 29 September 2024 the figures were £646.42 [49] (approximately half the final service charge amount of £1,297.76 per flat [57]). In the year ending 29 September 2025 the figures applied to the account half-yearly were £693.02 [49] (just over half the final service charge amount of £1,332.43 [58]).

27. The Tribunal finds this consistent with the Applicant's challenge in her application to an interim service charge demand for £693.02. On balance, the Tribunal is satisfied that a demand in this sum was made on or around the 29 March 2025 for the accounting year running from 30 September 2024 to 29 September 2025 even if it was not paid.

28. Whilst the managing agents may well seek payments in this way to assist with both their own and the lessees' cash flow and budgeting, the Tribunal is satisfied the lease as properly construed does not allow for interim service charge demands exceeding £100 in March and September each year. Any demand in excess of this amount as an interim maintenance charge is not, therefore, payable by the Applicant.

29. However, upon the final certified Maintenance Charge account for the year being provided to the Lessee the balance (deficit) becomes immediately payable. If nothing has been paid as an interim amount, then the total becomes due.

30. The Respondent says that Diana Logan has not paid any interim or final maintenance charge amounts since she purchased the property in 2017. This is consistent with the Tenant Account Summary.

31. The Respondent says the balance brought forward of £4,707.93 represents historic, unpaid service charges and ground rent demanded since March 2017 which remain contractually due [5]. However, the Tribunal finds that if the Applicant has made no payments since 2017 as alleged, that sum does not represent the total of the sums allegedly due since 2017 [5] which it finds to be in the region of £9,000 by September 2025.

32. The Tribunal finds Tenant Account Summary cannot be relied on as an accurate account. Large unexplained debits and credits have been applied to the account which appear to relate neither to payments made by the Applicant nor service charge demands, in particular in relation to the 2017 to 2022 accounting years [48].

Final service charge demands

33. In relation to the requirement for certification of the accounts, the Tribunal has considered the Service Chage Accounts provided by the Respondent which it confirms were sent to the lessees each year [5].

34. The Service Charge Accounts produced at pages [50] to [58] covering the period 2017 to 2025 include the name and address of the Respondent Lessor. However, the Tribunal is satisfied they do not include any certification either by Cormorant Limited, SE1 or an accountant. Nor do the demands include the summary of the rights and obligations of tenants of dwellings in relation to service charges required by s21B(1) of the 1985 Act and the Service Charges (Summary of Rights and Obligations, and Transitional Provisions) Regulations 2007.

35. It is for the Lessor seeking to recover service charge from the Lessees to demonstrate that the costs included in the service charge accounts are reasonable and conform both with the lease and any requirements set down by law. In the circumstances where the lease requires certification of the service charge amount, that certification is relevant to the question of reasonableness and, ultimately, payability.

36. In addition, until such time as the statutory notice requirements in s21B of the 1985 Act have been complied with in relation to any service charge demand made of Diana Logan, she is entitled to withhold payment (s21B(3) of the 1985 Act).

37. On this basis the Tribunal finds that the demands made of the Applicant for the 2023/24 and 2024/25 accounting years are not payable.

38. In the event the Tribunal was wrong to have reached that conclusion, or in the event that the service charge becomes payable, it has gone on to consider the service charges themselves.

39. Diana Logan confirms in her statement of case that the insurance is agreed [1] (although the accounting year is not specified). In any event, the Tribunal is satisfied that the amounts charged are consistent with the certificates of insurance [102 & 115].

40. She has not raised any challenge to the charges for management, which the Tribunal finds are supported by invoices from SE1 [114 & 119].

41. Nor did she challenge the electricity charges. Although bills covering the full accounting periods to September 2024 and September 2025 have not been produced, the Tribunal finds the charges of £370.51 for 2023/24 and £185.54 for 2024/25 to be broadly consistent with the invoices.

42. In relation to the charges for maintenance of £450 for the 2024/25 accounting period, however, the Respondent has produced no explanation for the charge, and no evidence showing what maintenance was carried out. Nor has it produced any evidence showing that sum was paid. Although various invoices have been produced going back to 2016, there is simply no evidence to support this charge. The Respondent has been on notice from the Appellant's statement of case and position statement that this was disputed it was incumbent on them to provide such evidence.

43. The Tribunal finds, therefore, that the sum of £450 would not be payable for this period in any event as there is no evidence it has been reasonably incurred.

Lessor's failure to repair or comply with the lease terms

44. Whilst the Tribunal does have the power to set-off damages for disrepair against moneys demanded under service charge provisions, it would not be fair or in the interests of justice to do so either on the basis of the

evidence available or without prior warning that it might do so. It has no power to make orders for specific performance of the repairing covenant.

45. If the Applicant says that either the Lessor or managing agent is failing to carry out their repairing obligations under the lease, there are steps that she may take, but an application under section 27A of the 1985 Act is not the correct means of doing so.

Costs

43. An order under either section 20C of the 1985 Act or paragraph 5A of Schedule 11 to the Commonhold and Leasehold Reform Act 2002 only has significance if there are provisions in the lease that allow the costs of the tribunal proceedings to be recouped through a service and/or administration charge. The Tribunal has made no express finding on this issue.

44. In deciding whether to make an order under either section 20C or paragraph 5A the Tribunal must consider what is just and equitable in the circumstances. The circumstances can include the conduct of the parties and the outcome of the proceedings.

45. The result of this application is that the Applicant has succeeded in relation to the issues in dispute. The Applicant was entitled to make this application, and on that basis the Tribunal determines that it is just and equitable for orders to be made that

(i) to such extent as they may otherwise be recoverable, the Respondent's costs, if any, in connection with these 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 Applicant, and

(ii) the Applicants shall not be liable to pay an administration charge in respect of those costs.

46. In respect of the application fee of £114 for the same reasons the Tribunal orders that the Respondent repay this to the Applicants.

Decision

46. For the reasons set out above, the Tribunal's decision is as follows:

(a) Any demand by the Lessor for an interim maintenance charge in an amount of more than £100 is not payable.

(b) Service charges for the 2023/24 and 2024/25 accounting years are not payable by the Applicant because the Respondent has not provided a certified Maintenance Charge account.

(c) The Applicant has the right to withhold payment for the service charges for the 2023/24 and 2024/25 accounting years because the Respondent has not served the Applicant with the prescribed Summary of Tenants Rights and Obligations.

(d) In the event the service charges for the 2023/24 accounting year become payable, the Applicant's share of the service charge in respect of the Property for the accounting year to 29 September 2024 is £1,297.76.

(e) In the event the service charges for the 2024/25 accounting year become payable, the Applicant's share of the service charge for the accounting year to 29 September 2025 is £1,219.93.

(f) The Applicant's application for Orders under s20C of the Landlord and Tenant Act 1985 and paragraph 5A of Schedule 11 of the Commonhold and Leasehold Reform Act 2002 are allowed.

(g) The Respondent must pay to the Applicant the fees of £114 for this application.

Judge R Cooper
Dated 26/11/2025

Appeals

1. A person wishing to appeal this decision to the Upper Tribunal (Lands Chamber) must seek permission to do so by making written application to the First-tier Tribunal at the Regional office that 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, and should be sent by email to rpsouthern@justice.gov.uk.

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.

Appendix – the Law

The Landlord and Tenant Act 1985 Act (as amended) provides:

Section 18 Meaning of "service charge" and "relevant costs"

18(1) In the following provisions of this Act 'service charge' means an amount payable by a tenant of a dwelling as part of or in addition to the rent—

(a) which is payable, directly or indirectly, for services, repairs, maintenance, improvements or insurance or the landlord's costs of management, and (b) the whole or part of which varies or may vary according to the relevant costs.

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

(3) For this purpose—
(a) 'costs' includes overheads, and (b) costs are relevant costs in relation to a service charge whether they are incurred, or to be incurred, in the period for which the service charge is payable or in an earlier or later period.

Section 19 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.

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

Section 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….the First-tier Tribunal….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 person specified in the application. …

Section 27A Liability to pay service 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.

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

(a) the person by whom it 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.

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

(a) has been agreed or admitted by the tenant,
(b) has been, or is to be, referred to arbitration pursuant to a post-dispute arbitration agreement to which the tenant is a party,
(c) has been the subject of determination by a court, or
(d) has been the subject of determination by an arbitral tribunal pursuant to a post-dispute arbitration agreement.

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

…

Paragraph 5A to Schedule 11 of the Commonhold and Leasehold Reform Act 2002 (as amended) provides:

Limitation of administration charges: costs of proceedings

(1) A tenant of a dwelling in England may apply to the relevant court or tribunal for an order reducing or extinguishing the tenant's liability to pay a particular administration charge in respect of litigation costs.

(2) The relevant court or tribunal may make whatever order on the application it considers to be just and equitable
..