FIRST-TIER TRIBUNAL
PROPERTY CHAMBER
(RESIDENTIAL PROPERTY)

Case reference	**:**	**LON/00AN/LSC/2025/0848**
Property	**:**	**Flat 2, 32-34 Gratton Road, London, W14 0JX**
Applicant	**:**	**Mr W J Tucker**
Representative	**:**	**In person**
Respondent	**:**	**Adamchoice Limited**
Representative	**:**	**FirstPort Property Services Limited (Managing Agent)**
Type of application	**:**	**For the determination of the liability to pay service charges under section 27A of the Landlord and Tenant Act 1985**
Tribunal members	**:**	**Ms S Beckwith MRICS** **Mr A Gee RIBA**
Venue	**:**	**10 Alfred Place, London WC1E 7LR**
Date of decision	**:**	**18 December 2025**

DECISION

Decisions of the tribunal

(1) The tribunal makes the determinations as set out under the various headings in this Decision.

(2) The tribunal makes an order under section 20C of the Landlord and Tenant Act 1985 so that none of the landlord's costs of the tribunal proceedings may be passed to the lessees through any service charge.

(3) No order is made in respect of the reimbursement of the tribunal fees paid by the Applicant.

The application

1. The Applicant seeks a determination pursuant to s.27A of the Landlord and Tenant Act 1985 ("the 1985 Act") as to the amount of service charges payable by the Applicant in respect of the service charge year ending 31 December 2025.

The hearing

2. A hearing took place on 4 December 2025. The Applicant appeared in person and was accompanied by Ms Ryley. The Respondent was represented by Mr Khani of FirstPort Property Services Limited, who was accompanied by his colleague Mr Vidal.

3. The tribunal had been provided with a bundle of 258 pages.

The background

4. The Property which is the subject of this application is a ground floor flat within No. 34 Gratton Road. The adjacent building is No. 32 Gratton Road. Both buildings have been converted into flats over lower ground to third floors. There are communal parts serving both buildings within No. 32 Gratton Road. The two buildings are owned by the same freeholder and are managed by FirstPort Property Services Limited ("FirstPort").

5. Photographs of the building were provided in the hearing bundle. Neither party requested an inspection.

6. The Applicant holds a long lease of the property which requires the landlord to provide services and the tenant to contribute towards their costs by way of a variable service charge. The specific provisions of the lease are set out below. The Applicant acquired the lease in February 2025.

The issues

7. The hearing concerned the payability and reasonableness of the service charge budget for the Property for the year ending 31 December 2025 ("the 2025 Budget"). Issues pertaining to the liability of the Applicant to contribute to charges relating to common parts and the apportionment being levied by the Respondent were recurring for numerous items in dispute. Otherwise the Applicant's challenge related to the reasonableness of the charges.

8. The Applicant had raised issues with respect to compliance with Section 20 consultation requirements, however, any charges relating to these works were not part of the original application and do not form part of the 2025 Budget before the tribunal. The Applicant can make a separate application to challenge these charges, once any demand for payment or service charge account setting out the charge has been received.

9. The Applicant was also concerned about a difference between an insurance invoice and the amount stated in the 2025 Budget. He had not, however, challenged the insurance cost in his application.

10. It was explained to the Applicant that the Tribunal would make a decision about the payability and reasonableness of the 2025 Budget, which he is required to contribute to on account. Once a reconciliation exercise had been undertaken after the end of the service charge year based on the actual costs expended, he would be able to make a further application to challenge the actual charges should he wish to do so.

11. During the hearing, the Applicant confirmed he was no longer challenging the amount of the monitoring fee.

12. The key points relating to the Applicant's liability to pay were the interpretation of the lease as to common parts and proportion of charges levied.

13. Having heard evidence and submissions from the parties and considered the documents provided, the tribunal has made determinations on the various issues as follows.

The lease

14. The lease of the Property is dated 24 June 1976 ("the Lease"). The cover page of the Lease at C14 of the bundle describes the Property as Flat 2 No 34 Gratton Road. The lease plan at C15 is labelled No 34 Gratton Road. The front elevation plan at C16 is labelled 32/34 Gratton Road.

15. Clause 2 states:

> *The lessors have converted No. 34 Gratton Road London W14 ("the Building") into five flats with access to the said flats from No. 32 Gratton Road London W14.*

16. Access is further provided for in Clause 1 of the Second Schedule:

> *The right (in common with all other persons now or hereafter entitled to use the same) of access to and from the flat through the front door entrance hall corridors landings and staircases of No. 32 Gratton Road and the Building leading thereto.*

17. Clause 4(2) sets out the Lessee's covenant:

> *To pay to the Lessors in each year a sum equal to 11% per annum of (i) all monies expended by the Lessors in carry out all of any of the works and providing the services and management and administration called for under Clause 5(4) hereof (ii) the insurance premium for the Insurance Policy covering the said Building in accordance with the Lessors' covenant herein contained and (iii) such a sum as the Lessors shall reasonably require for the purpose of setting up an adequate Reserve Fun to pay for any intended substantial works which are not annually required to be done […]*

18. Clause 5(4) states:

> *That (subject to contribution and payments as hereinbefore provided) the Lessors will maintain uphold and keep the Building (other than the parts thereof to be maintained by the Lessee or any other lessee of a flat in the Building) in accordance with the obligation set out in the Fourth Schedule hereto.*

19. The Fourth Schedule provides for the costs, expenses, outgoings and matters in respect of which the lessee is to contribute as follows:

> 1. *Maintenance repair and renewal of the main structure of the Building including the foundations and roof thereof and roof gutters water pipes and boundary walls.*
> 2. *Painting and decoration of the exterior of the Building as and when in their discretion of the Lessors think fit but at least once in every four years from the date hereof.*
> 3. *Maintenance repair decoration and cleanliness lighting and renewal of all parts of the Building used in common by the Lessees tenants or occupier for the time being of the Building.*
> 4. *Repair renewal and rental of plumping electric gas entryphones or similar installations and making good any*

defect in the Building not being the responsibility of any one lessee.

5. *Expenses of management to include the proper and reasonable charges or any managing agent any legal and accountancy charges properly incurred in management and including the Lessor's liability of whatsoever kind in relation to this Lease and the costs of enforcing the covenants herein contained.*

Liability to contribute to communal areas

20. The Applicant argues that the Property is self-contained. He has no access to the communal areas and therefore should not have to contribute to costs associated with them. He submits that the Lease is flawed and contains drafting errors. The provision pertaining to the common parts is a generic obligation which has been incorrectly applied to his self-contained flat.

21. The lease plan shows the Property laid out with two bedrooms to the front, a lobby and bathroom in the middle of the flat and a kitchen and living/dining room to the rear.

22. Mr Tucker confirmed that the Property is now laid out with the front door to the right hand side opening onto an open plan living room and kitchen with bedroom and bathroom to the rear. There is no entrance from the communal areas.

23. Mr Tucker argues that the elevation plan attached to the lease (C16 of the bundle) shows that the Property has its own front door and therefore would not have need of access via communal areas.

24. He refers to a First-tier Tribunal decision *Hannah v 35-37 Gratton Road Management Limited*. This case pertains to what appears to be a similar building on the same street. No. 35 and No. 37 have been converted into flats with one communal entrance. The leases of these flats variously refer to the relevant buildings as "No. 35 Gratton Road", "No. 37 Gratton Road" and "No. 35 and No. 37 Gratton Road". Ultimately the leaseholders of the flats agreed to vary their leases. One such variation was that flats with their own entrances would not contribute to charges relating to the communal access corridor. Mr Tucker argues that this sets a precedent that he should not have to contribute to communal areas.

25. The Respondent has provided a more modern plan dated March 2014 and labelled "as existing" (H33 of the bundle). Although Mr Tucker argues that the plan could not clearly be related to his flat, this appears to show the Property in the same layout as the lease plan, with a door into a communal corridor. Mr Khani submits that a previous

leaseholder undertook internal alterations to the Property at which point the door to the communal corridor was blocked up. Once this happened, the previous leaseholder continued to contribute to the communal parts items within the service charge. No revision to the provisions of the Lease have taken place. The Applicant would have been provided with this information at the time of his purchase of the Lease.

The tribunal's decision

26. The tribunal determines that the Applicant is liable to contribute to the costs relating to communal areas.

Reasons for the tribunal's decision

27. The First-tier Tribunal decision at 35-37 Gratton Road referred to by the Applicant endorses a settlement reached by the parties to vary the lease. This was in accordance with an application under Section 35 of the Landlord and Tenant Act 1987, which is not the type of application before this tribunal. This tribunal must determine the payability under the terms of the Applicant's Lease.

28. The tribunal finds that the Property used to have a door leading to the communal access corridor in No. 32 Gratton Road. Whilst it may always have had its own external door, this may not have always been used given the previous layout with that external door leading into a bedroom. We find that the wording of the Lease, with reference to access via the common parts, precedes the later alterations to the Property and its current access arrangements as described by the Applicant.

29. Sections 3 and 4 of the Second Schedule of the Lease require the Lessee to contribute to items used in common with the Building. The Building is defined as No. 34 Gratton Road with access via the communal areas in No. 32 Gratton Road, as set out at Clause 2 of the Lease. Clause 1 of the Second Schedule grants the Applicant rights to use these communal areas. The Applicant is therefore liable to contribute to any items within the service charge relating to communal areas.

Contribution to service charge items

30. There was some confusion as to how the service charge was apportioned. The Applicant confirmed that he should pay 11% of the service charge costs for No. 34 Gratton Road as per the terms of his Lease.

31. The invoices within the bundle refer to 32/34 Gratton Road. The Respondent splits the service charge for 32/34 Gratton Road into two

schedules, one being in respect of No. 32 Gratton Road and one for No. 34 Gratton Road.

32. At D11 of the bundle there is an email from the property manager confirming that:

> "*Gratton Road used to be treated as two separate properties, 32 Gratton Road & 34 Gratton. However, as there is one front door which serves both sides, they were both amalgamated into one property and is shown as 32-34 Gratton Road on our system. With this being said, there are still two schedules for the property, one for 32 Gratton and one for 34 Gratton Road*".

33. The costs are split equally between the two schedules. The Respondent charges the Applicant 22% of the costs in the schedule for No. 34 Gratton Road (with five flats), being equivalent to 11% of the costs for No. 32 and No. 34 combined together as ten flats.

34. The Respondent confirms that the service charge apportionments within the leases across No. 32 and No. 34 Gratton Road add up to 100%. The way in which they manage and apportion the charges is the only way to fairly split the costs under the leases. No variations have been agreed to any of the leases. No application has been made under Section 35 of the Landlord and Tenant Act 1987 to vary any of the leases.

35. Neither party has supplied any information about the terms of the leases of the other flats within No. 32 and No. 34 Gratton Road. The tribunal therefore has no information as to how the building is defined in the other leases or what percentage each leaseholder is required to contribute to the service charge.

The tribunal's decision

36. The tribunal determines that the Applicant is liable to contribute 11% of the service charge costs in respect of No. 34 Gratton Road only.

Reasons for the tribunal's decision

37. Following *Arnold v Britton [2015] UKSC 36*, commercial common sense or reasonableness should not be invoked retrospectively to override the natural meaning of contractual provisions.

38. The "Building" is defined in the Lease as No. 34 Gratton Road and is referred to as such throughout, together with right of access through No.32. The statement at Clause 2 that the Lessor has converted the

Building into five flats reinforces that it is solely No 34 being referred to, not No. 32 and No. 34 combined.

39. Whilst the Lease may not be well drafted, the meaning of the Building is clear within it. It may make commercial sense for No. 32 and No. 34 Gratton Road to be treated as one and a service charge to apply across both, however, this is not what is stated in the Lease.

40. The tribunal also notes the service charge for 32/34 Gratton Road is split into two separate schedules and it has been confirmed the two parts were previously treated separately.

Management fee

41. Many of the Applicant's initial challenges to the items in the 2025 Budget relate to the conduct of the managing agent.

42. Mr Tucker submits that the FirstPort are not complying with the terms of their management agreement. Issues include:

- Substantial arrears by another leaseholder causing lack of funding for works and the need for a loan from the freeholder.
- Errors of allocation of communal electricity costs between different buildings being managed.
- Not keeping proper accounts and unexplained movement of money between schedules in the accounts.
- Actions showing as outstanding on the property management portal.
- Taking two months to respond to his queries.
- Refusal to answer some questions.

43. Mr Tucker confirms that he does not believe he should pay anything for managing agents fees due to the lack of professionalism on the part of FirstPort.

44. Mr Khani confirms that FirstPort have a complaints system, which Mr Tucker has used. Should he be dissatisfied with the outcome, the proper process of escalation is to the ombudsman. A complaint is not a reason to reduce the management fee. The fee is not performance linked and is representative of market rates for buildings of this nature.

45. Mr Khani was not able to respond to all of Mr Tucker's queries, because they largely related to previous years' service charge accounts and the subject of the hearing, for which he had prepared, was the 2025 Budget.

The tribunal's decision

46. The tribunal determines that the amount payable in respect of management fees in the 2025 Budget is £3,525.

Reasons for the tribunal's decision

47. Some of the issues raised seem to have been the result of misunderstanding as to how a service charge is administered on the part of the Applicant. Mr Tucker did not purchase his Property until 2025 and is therefore presumably not liable for 2024 charges. He complained that FirstPort were not undertaking their responsibilities due to having let arrears build up, but also complained that they used debt collectors to chase arrears from him.

48. Some of the confusion has not been assisted by poor communication by FirstPort, albeit they were not obliged to respond to all queries raised by Mr Tucker. Nevertheless, the tribunal finds that the management charge is reasonable for the nature of the building and services provided.

Reasonableness of other service charge costs

49. With the exception of the managing agent's fees, which has been dealt with separately, the Applicant was challenging the other items within the 2025 Budget on the basis of the issues of contribution to communal areas and proportion set out above. He did not have any alternative suggestion as to what a reasonable amount would be for any of the items.

50. The Respondent explained their method of determining the amount to be budgeted based on costs for that item from the preceding service charge year(s), benchmarking, competitive tender when appropriate and industry best practices.

51. Each item within the budget is an estimate. At the end of the service charge year, the accounts will be reconciled on the basis of invoices for actual expenditure.

The tribunal's decision

52. The tribunal determines that the amount budgeted for each item of service charge is reasonable as set out in the following table:

ITEM	**COST**

Communal Electricity	£260
Cleaning Communal Area	£650
Fire Systems Maintenance	£500
Door & Emergency Systems	£200
General Maintenance	£1,200
Management Fee	£3,525
Accounts Preparation	£600
Audit/Cert Fee	£372
Health & Safety / Risk Assessments	£300
Reserve Fund Contribution	£4,000

Reasons for the tribunal's decision

53. The tribunal accepts the Respondent's statements as to how the budget for each service charge item has been set. None of the costs appear unreasonable for the nature of the building and service charge.

Application under s.20C and refund of fees

54. At the end of the hearing, the Applicant made an application for a refund of the fees that he had paid in respect of the application/ hearing[1]. Having heard the submissions from the parties and taking into account the determinations above, the tribunal does not order the Respondent to refund any fees paid by the Applicant.

55. In the application form, the Applicant applied for an order under section 20C of the 1985 Act. Having heard the submissions from the parties and taking into account the determinations above, the tribunal determines that it is just and equitable in the circumstances for an order to be made under section 20C of the 1985 Act, so that the Respondent may not pass any of its costs incurred in connection with the proceedings before the tribunal through the service charge.

Name: Ms S Beckwith MRICS **Date:** 18 December 2025

[1] The Tribunal Procedure (First-tier Tribunal) (Property Chamber) Rules 2013

Rights of appeal

By rule 36(2) of the Tribunal Procedure (First-tier Tribunal) (Property Chamber) Rules 2013, the tribunal is required to notify the parties about any right of appeal they may have.

If a party wishes to appeal this decision to the Upper Tribunal (Lands Chamber), then a written application for permission must be made to the First-tier Tribunal at the regional office which has been dealing with the case.

The application for permission to appeal must arrive at the regional office within 28 days after the tribunal sends written reasons for the decision to the person making the application.

If the application is not made within the 28-day time limit, such application must include a request for an extension of time and the reason for not complying with the 28-day time limit; the tribunal will then look at such reason(s) and decide whether to allow the application for permission to appeal to proceed, despite not being within the time limit.

The application for permission to appeal must identify the decision of the tribunal to which it relates (i.e. give the date, the property and the case number), state the grounds of appeal and state the result the party making the application is seeking.

If the tribunal refuses to grant permission to appeal, a further application for permission may be made to the Upper Tribunal (Lands Chamber).