



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

Case reference	:	LON/00BD/LSC/2025/0623
Property	:	37 – 42 Castelnau Gardens, London, SW13 8DU
Applicant	:	Dominic O'Regan (leaseholder of No. 38), Simona Rauta (leaseholder of No. 39), Liwei Xu (leaseholder of No. 41) and Lala Guliyeva (leaseholder of No. 42)
Representative	:	In person
Respondent	:	Poundminster Limited
Representative	:	Richard Miller of Counsel instructed by Ingram Winter Green Solicitors
Type of application	:	For the determination of the payability and reasonableness of service charges under section 27A of the Landlord and Tenant Act 1985
Tribunal members	:	Judge H. Lumby Mr A Thomas RBI FRICS MBA MIFireE
Venue	:	10 Alfred Place, London WC1E 7LR
Date of hearing	:	17 October 2025
Date of decision	:	24 December 2025

DECISION

Decisions of the tribunal

- (1) The tribunal determines that the full costs of the 2022 major works are reasonable in amount and payable by the Applicants except:
 - a. an amount of £4,450 in respect of communal parts decoration
 - b. an amount of £3,765 in respect of repairs to windows and doors
 - c. an amount of £410 in respect of crown mouldings testing and repairs
 - d. an amount of £380 in respect of removal and replacement of rainwater goods
 - e. an amount of £900.50 in respect of contract administration
- (2) The tribunal determines that the managing agent's fees for the 2022/23, 2023/24 and 2024/25 service charge years are payable and reasonable in amount.
- (3) 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 Applicants as lessees through any service charge.
- (4) The tribunal makes an order under paragraph 5A of Schedule 11 to the Commonhold and Leasehold Reform Act 2002 in favour of the Applicants that none of the costs incurred by the Respondent in connection with these proceedings can be charged direct to the Applicants as administration charges under the Applicants' leases.

The application

1. The Applicants seek 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 Applicants in respect of specific items in the 2022/23, 2023/24 and 2024/25 service charge years.
2. The Applicant also seeks an order for the limitation of the landlord's costs in the proceedings under section 20C of the Landlord and Tenant Act 1985 and an order to reduce or extinguish the tenant's liability to pay an administration charge in respect of litigation costs, under paragraph 5A of Schedule 11 to the Commonhold and Leasehold Reform Act 2002.
3. Directions were issued by the tribunal on 8th April 2025. That hearing identified the issues to be determined as follows:

- the reasonableness and payability of the major works charges (totalling £107,461.47) in respect of works that took place in 2022, including whether the works were carried out to a reasonable standard; and
 - the reasonableness and payability of the managing agent's fees for the years 2022/23, 2023/24 and 2024/25.
4. The Applicants have confirmed that they were not questioning whether the Respondent had complied with the statutory consultation process in relation to the major works. This was therefore not considered.
 5. The Directions were amended on 15th May 2025 and further Directions were issued on 25 September 2025. The latter Directions identified the elements of the 2022 major works that the Applicants considered to be of insufficient quality and substandard, as follows:
 - A. Roof, Gutters/Downpipes and sealing works resulting in water penetration to the building
 - B. Masonry elements including crown mouldings and decorative stone elements being detached or damaged (with missing or superficial repair), and poorly executed/substandard pointing/incorrect preparation of masonry surfaces resulting in premature deterioration
 - C. Chipping, crumbling, flaking and prematurely deteriorating paint on communal walls, skirtings and dado rail, and main entrance door
 - D. Inadequate standard of decoration to front entrance door and communal windows including poor workmanship, flaking and peeling paint.

The background

6. This application relates to 37 -42 Castelnau Gardens, London, SW13 8DU, a purpose built period block of six flats.
7. The application has been issued by four of the leaseholders, who between them own Flats 38, 39 41 and 42. The Respondent owns the freehold of the building and pays the service charge for Flat 37, which is occupied by a regulated tenant.. It is therefore both a service charge payer and the Applicants' landlord.
8. The application principally relates to major works carried out in 2022 at a total cost of £107,461.47. This comprised the contract sum of £80,315.00, professional fees of £8,031.50, CDM charges of £1,204.73 and VAT of £17,910.24. A loft hatch was also replaced by the contractor as an extra item of work.
9. The Applicants say that the works were not carried out to an acceptable standard and have deteriorated rapidly. They point to masonry

crumbling and falling from the building, inadequate gutter works causing damp and internal decoration to communal areas peeling. It is acknowledged that some damage was caused by the residents. They also say that the managing agents (HML PM Limited) have performed unsatisfactorily and so question their annual cost of £2,580 per flat.

10. It is common ground that works were needed to the Property; the Applicants' position that for the amount paid, all defects in the building should have been remedied. The Respondent argues that there was a defined specification and it cannot be held liable for defects in the building not covered by that specification.
11. The tribunal has not inspected the Property.

The lease

12. Copies of each of the Applicants' leases were provided in the bundle; these are for terms until either 25 March 2077 or (where extended) 25 March 2167 and are in similar form. They provide for six monthly payments towards the costs of the services together with annual sinking fund contributions. The landlord is responsible for the maintenance of the exterior and structure of the Property including the gutters as well as the common parts.

The Hearing

13. The hearing was held in person. Two of the Applicants (Dominic O'Regan and Liwei Xu) attended and also gave evidence, having provided witness statements. Richard Miller of counsel appeared on behalf of the Respondent; David Hobden of the Respondent also attended and gave evidence. Ashwin Prashar of the Respondent's solicitors attended as an observer. Serge Guliyev had also provided a witness statement; he is married to one of the Applicants, Lala Guliyeva. However, Mr Guliyev was abroad and unable to attend.
14. The documents that the tribunal was referred to are in a bundle of 610 pages. We were also provided with a 96 page authorities bundle by the Respondent. The bundle included the Applicants' statement of case, the Respondent's response and a reply by the Applicants. It also included the witness statements, copy leases, evidence from both parties, correspondence and the tribunal's directions. Mr Miller also provided an eleven page skeleton argument. These were all noted.
15. The parties were unable to agree arrangements for the appointment of an expert to provide advice for the final hearing; the tribunal had determined that a joint expert should not be appointed.

16. The Applicants in their statement of case had sought to introduce other items outside their application. It was made clear, however, that the tribunal would only consider the major works and the managing agent's fees. The parties therefore focused on the following areas at the hearing:
- Water penetration through a flat roof
 - Common parts decoration and window and door repairs
 - Guttering
 - The coping stones
 - A loft hatch

The Tribunal's determination

17. Having considered all of the documents and heard the submissions made by the parties, the tribunal has made determinations on the various issues as follows.

Service charge sums in dispute

18. The tribunal considered each of the items identified as in dispute in turn. These comprise elements of the 2022 major works together with the managing agent's fees for three separate service charge years.
19. As a general point, the tribunal is satisfied that a proper tender process was carried out both for the appointment of the contractor (Manilva) and for the managing agent and that the cheapest bidder in each case was appointed. Individual elements of the Manilva tender may have been more expensive, either compared with other bidders or independent quotations subsequently obtained; this includes for example testing and certificates or electrical works. However, the position needs to be looked at in the round. There is no evidence to suggest that the amounts quoted in either case were unreasonable in amount. The Applicants have contended that costs were duplicated but this is again seeking to cherry pick specific elements rather than look at the position in the round.
20. As a result, the tribunal considers as a matter of principle that the cost of the major works and the managing agent's fees are reasonable in amount. For the avoidance of doubt, this includes the items the Applicants contend are inflated or duplicated charges, charges for tenant liaison, the drone survey and TV aerial/satellite works. This also includes the cost of the contract administrator.
21. As a related point, the tribunal is satisfied that as a matter of principle both the cost of the major works and the managing agent's fees are recoverable pursuant to the Applicants' leases. It is noted that the Applicants have expressly stated that they do not bring any section 20 challenge to the costs of the works (lack of consultation).

22. Any challenge must be therefore to the way the contractor, the contract administrator and/or the managing agent performed their respective contracts.
23. In considering the elements of the major works challenged, the tribunal has had regard to the breakdown of the cost of these works provided in the bundle [pages 221 to 227]. The major works consisted of a fixed specification, with costs against each element. The sums provided are budget amounts but the tribunal understands that these were adopted. Where the tribunal finds an element of the works unsatisfactory, it has applied a reduction to that element only, not the cost of the works overall. No reduction has therefore been made to elements that were not successfully challenged.
24. The Applicants have argued that any defects or wants of repair in the building and which were identified in the course of the works should have been performed by the contractor as part of the works and for no extra costs. The tribunal does not agree with this argument. The works had a fixed specification and an identified cost for each element. There was no obligation on the contractor to address additional matters identified as the works progressed. Any challenge made by the Applicants that an element should have been included must therefore fail. Examples of these include the roof repair, where the Applicants contend that the full roof should have been replaced whilst only limited roof works were specified. Another example in a similar vein is the repointing; the Applicants say that additional repointing should have been included but this is not in the major works specification.
25. As a separate point, the Applicants have sought to add additional items to the application which did form part of the major works or the managing agent's fees. The tribunal has been clear that additional items will not be considered. These include for example the loft hatch works, remedial roof and downpipe work in July 2023 and asbestos surveys in 2021 and 2023.

Major works – communal areas redecoration

26. The Applicants argue that the internal decoration to the communal areas quickly deteriorated and has to be done again. The Respondent acknowledged in evidence that this should not have deteriorated so quickly. However, they argue that it was in a good condition when completed and was damaged by the leaseholders.
27. The tribunal considered the position. It finds that the painting if done properly should not have deteriorated so quickly. The fact that the decoration needs to be completely redone so soon means that no part of the cost should be recoverable. The fact that damage was caused by the leaseholders is irrelevant, as the works were not done properly and have to be redone in their entirety, irrespective of damage.

28. The relevant costs for the redecoration totalled £4,450, comprising the following:
- Clean and rub down walls - £1,360
 - Clean and rub down ceiling - £510
 - Paint windows and doors - £880
 - Clean skirtings/rails/architraves and paint - £1,700
29. The tribunal therefore determines that an amount of £4,450 shall be deducted from the recoverable cost of the major works, in respect of redecoration to the communal areas.

Major works – repair of windows and doors

30. The Applicants argue that the windows and doors repaired as part of the works are rotting and so the works were not done to a reasonable standard. The Respondent denies this.
31. The tribunal considered the position. Photographic evidence of windows and doors has been provided. The tribunal is satisfied based on these that the works were not done to a reasonable standard. However, photographs have not been provided all windows to which works were done, so we cannot ascertain whether this affected only limited windows or all. On this basis, the tribunal concludes that it is appropriate to reduce the cost of these works by one quarter, to reflect the repairs that are required.
32. The relevant costs for the window and door repairs totalled £15,060, comprising the following:
- Overhaul of windows and doors - £2350
 - Repair window Joints - £3500
 - Replace rotted timber - £1050
 - Paint all windows and doors - £7980
 - Prepare and paint main entrance door - £180

33. A reduction by one quarter amounts to £3,765.

34. The tribunal therefore determines that an amount of £3,765 shall be deducted from the recoverable cost of the major works, in respect of repairs to windows and doors.

Major works – flat roof

35. The Applicants contend that the flat roof works were defective and caused leaks. The Respondent denies this and argues that any leaks were caused by a defective hopper.

36. The tribunal considered this issue. Having reviewed all the documents provided and heard the parties' submissions, it concludes that there is insufficient evidence to support the Applicants' contention that the works to replace the flat roof caused the leaks. It cannot therefore conclude on the balance of probabilities that these works were not of a satisfactory standard.
37. As a result, the tribunal determines that no deduction should be made from the cost of the flat roof works.

Major works – stone repairs, crown moulding

38. The Applicants argue that additional repointing should have been done and the crown mouldings crumbled, with a piece of masonry falling from the roof. The Respondent argues that only limited repointing was specified and that the crown mouldings only had to be tested; any reduction should therefore be limited to the cost of this testing.
39. The tribunal has already determined that additional repointing works were not included in the contract specification and so no reduction should be made for this.
40. It reviewed the evidence provided in relation to the rooftop stonework and the crown mouldings. These show these to be in a poor condition but this decline could have occurred in the three years since the works were done; there is no evidence to suggest that this is due to poor workmanship by the major works contractor.
41. That said, the tribunal considers that testing of the crown mouldings would have revealed the issue that led to the masonry collapse. The estimate for the crown mouldings provides that they needed to be tested and repaired. It therefore concludes on the balance of probabilities that the testing of the crown moulding was either not carried out or not done properly. As a result, it determines that the full cost of the testing should be deducted.
42. The cost of the testing was £410. This included any repairs. The tribunal therefore determines that an amount of £410 should be deducted from the cost of the major works in respect of crown mouldings testing and repairs.

Major works – removal and replacement of rainwater goods

43. The Applicants have objected to the cost of replacement of downpipe and hopper, given these appear to have broken within 12 months of the works being carried out. The Respondent acknowledged that this may have been caused by poor workmanship and it may also have caused damp in the Property.

44. The tribunal reviewed the evidence and concluded that these items were in an unacceptable state if done 12 months before. It considered that the works may not have been done at all, such was their condition. Either way, it was not reasonable for the leaseholders to have to contribute to this item and the full cost should be deducted.
45. The cost of these works was £380. The tribunal therefore determines that an amount of £380 should be deducted from the cost of the major works in respect of removal and replacement of rainwater goods

Major works – loft hatch

46. This relates to an item of works carried out by the major works contractor outside the scope of the major works. As such, the tribunal determines that it does not form part of the major works and so is outside the Applicants' application. It has therefore not been considered by the tribunal. The Applicants may therefore bring a further claim in relation to it, should they wish.

Major works – testing and certificates

47. The Applicants have questioned the charges for testing and certificates, saying that these were excessive compared to other bidders and quotations obtained from independent contractors. However, as referred to above, the contract price needs to be viewed as a whole. As a result, the tribunal determines that the amount charged was reasonable.

Major works – Contract administration and CDM fee

48. Shaw & Company Chartered Surveyors were appointed as contract administrators. The Applicants contend that they failed to enforce quality, detect defects or ensure contractual compliance throughout the works. They also contend that the CDM fee was wrongly charged by them in addition to their 10% fee. The Respondent deny there was any failure.
49. The tribunal has considered this. The Applicants have a misunderstanding of the contractor's role, arguing that they should have done all required works, whether or not in the contract specification. This misunderstanding would extend to the contract administrator not requiring works outside the specification to be carried out.
50. That said, there clearly have been failings in the works, especially in relation to the internal decoration and the windows and doors repairs. It is acknowledged that the communal areas decoration looked good when completed but this failed quickly. As a result, the tribunal considers that there is evidence of failings by Shaw and so a reduction in their fee is appropriate, to reflect the work required to reprocore or remedy

elements that have failed or were not carried out to a satisfactory standard.

51. Shaw have charged a fee of 10 per cent of the contract sum. The tribunal considers an appropriate reduction is 10% of the contract sum deductions made. These amount to £9,005 in aggregate so 10% is £900.50.
52. The tribunal therefore determines that the contract administration fee should be reduced by £900.50.
53. The tribunal does not agree that the CDM fee has been wrongly charged. It is clear that this is an additional fee, as acknowledged by Mr O'Regan in cross examination. The tribunal therefore determines that this fee is reasonable in amount and payable.

Managing agent's fees 2022/23, 2023/24 and 2024/25

54. The Applicants argue that the managing agent has not done a sufficient job in managing the Property, citing the lack of engagement and communication when there was a dispute between the leaseholders as to who had damaged the common parts. Their principal issue was the managing agent not responding; they expected more for their money.
55. The Respondent argued that the managing agent was the cheapest of the parties who tendered for the role. They contend that the Applicants had unrealistic expectations on how quickly the major works would start and complained about an online portal not working when this was not included in their appointment.
56. The tribunal considered the parties' submissions. It appreciated that there were frustrations about the lack of progress in starting the major works and a failure by the managing agent to respond to emails. However, it also considers that the Applicants did have unrealistic expectations, as shown by the assumption that the managing agent should resolve the dispute between the leaseholders as to who caused damage.
57. The agent had provided the cheapest quote and the tribunal considers that their fees are reasonable. In addition, the tribunal does not consider that any identified failings are sufficient to justify a reduction in their fees. These are recoverable through the service charge.
58. The tribunal therefore determines that the managing agent's fees for the 2022/23, 2023/24 and 2024/25 service charge years are payable and reasonable in amount.

Applications under s.20C and paragraph 5A and for costs of hearing

59. The Applicants have applied for cost orders under section 20C of the Landlord and Tenant Act 1985 (“Section 20C”) and under paragraph 5A of Schedule 11 to the Commonhold and Leasehold Reform Act 2002 (“Paragraph 5A”).
60. The relevant part of Section 20C reads as follows:-
- (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...”.
61. The relevant part of Paragraph 5A reads as follows:-
- “A tenant of a dwelling in England may apply to the relevant ... tribunal for an order reducing or extinguishing the tenant’s liability to pay a particular administration charge in respect of litigation costs”.
62. A Section 20C application is therefore an application for an order that the whole or part of the costs incurred by the Respondent in connection with these proceedings cannot be added to the service charge of the Applicants or any other parties who have been joined. A Paragraph 5A application is an application for an order that the whole or part of the costs incurred by the Respondent in connection with these proceedings cannot be charged direct to the Applicants as administration charges under their leases.
63. In this case, the Applicants have had mixed successes on the challenges they have made. However, the tribunal considers that this dispute could have been avoided if the Respondent had engaged more with the Applicants; they had legitimate concerns and were frustrated by the approach and responses they received. As a result, the tribunal determines that it is just and equitable in the circumstances for an order to be made under section 20C of the 1985 Act. The tribunal therefore make an order in favour of the Applicants that none of the costs incurred by the Respondent in connection with these proceedings can be added to the service charge.
64. For the same reasons as stated above in relation to the Section 20C cost application, the Applicants should not have to pay any of the Respondent’s costs in opposing the application. The tribunal therefore makes an order in favour of the Applicants that none of the costs incurred by the Respondent in connection with these proceedings can be charged direct to the Applicants as administration charge under their leases.

Name: Tribunal Judge Lumby **Date:** 24 December 2025

Rights of appeal

By rule 36(2) of the Tribunal Procedure (First-tier Tribunal) (Property Chamber) Rules 2013, the tribunal is required to notify the parties about any right of appeal they may have. If a party wishes to appeal this decision to the Upper Tribunal (Lands Chamber), then a written application for permission must be made to the First-tier Tribunal at the regional office which has been dealing with the case.

The application for permission to appeal must arrive at the regional office within 28 days after the tribunal sends written reasons for the decision to the person making the application. If the application is not made within the 28-day time limit, such application must include a request for an extension of time and the reason for not complying with the 28-day time limit; the tribunal will then look at such reason(s) and decide whether to allow the application for permission to appeal to proceed, despite not being within the time limit. The application for permission to appeal must identify the decision of the tribunal to which it relates (i.e. give the date, the property and the case number), state the grounds of appeal and state the result the party making the application is seeking.

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