FIRST-TIER TRIBUNAL
PROPERTY CHAMBER
(RESIDENTIAL PROPERTY)

Case reference	:	HAV/00HB/LSC/2025/0620
Property	:	262 Church Road, Bristol, BS5 8AF
Applicant	:	Chilton Properties Limited
Representative	:	Mr Tovin of Springview Estates Limited
Respondent	:	(1) Melinda Finegan – 262A (2) Victoria Cox – 262B (3) Abdus Salam – Office flat
Representative	:	(for first respondent) -Wendy Wright (for second respondent) – Rhys Johns, counsel (for third respondent) – Md Mahfujur Rahman
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	:	Judge Taylor (Chair) Judge Bowden Tribunal Member Ayres
Date and Venue of hearing	:	15 December 2025, Bath Law Courts
Date of decision	:	3 January 2026

DECISION

Decisions of the tribunal

1. The Application against the Third Respondent is struck out.
2. The Tribunal determines that, following the dissolution of the Management Company, the Applicant was both entitled, and required, to "step in" to carry out the covenants and obligations of the Management Company under the leases of the flats in issue.
3. The Tribunal determines that the following sums are payable by the First and Second Respondents to the extent of their respective proportions in respect of the service charges for the years ending: (a) 2023 - £1009; (b) 2024 - £1717; (c) 2025 - £4465.
4. The Tribunal makes an order under section 20C of the Landlord and Tenant Act 1985 in favour of the First Respondent only, so that none of the landlord's costs of the Tribunal proceedings may be passed to the First Respondent through any service charge.

The application

5. 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 Respondents in respect of the service charge years ending 2023; 2024 and 2025.
6. The Respondents seek an order pursuant to section 20C of the Landlord and Tenant Act 1985.

The background

7. The property which is the subject of this application is 262 Church Road, Bristol BS58AF ("the Property"), a three-storey house that has been converted into three units. On the ground floor there is the "Office Flat" (the registered owner of which is the third respondent) and also flat 262B (owned by the second respondent) which is the garden flat. These are both accessed by a shared hallway and front door. On the first and second floors is 262A (owned by the first respondent) which has a separate entrance door and stairway.
8. The applicant was registered as owner of the freehold of the Property on 10 September 2021.
9. The leases of the Office Flat, 262A and 262B all include as a third party, in addition to the Landlord and the Tenant, a company

called 262 Church Road Management Limited (company registration number 10724788), which is defined in all three leases as the "Management Company". We use that definition in this decision. In each of the leases the Management Company covenanted to perform covenants relating to the provision of services. Each of the leases set out the proportion of the total service charge costs that the respective Tenant is required to pay: the Office Flat's proportion of the service charge is 20%, 262B's proportion is 30% and 262A's proportion is 50%. Specific provisions of the leases will be referred to below, where appropriate.

10. On 13 June 2023 the Management Company was struck off the Register of Companies and on 20 June 2023 it was dissolved.

11. None of the parties requested an inspection and the tribunal did not consider that one was necessary, nor would it have been proportionate to the issues in dispute.

12. Pursuant to the Directions given by the Tribunal, the Applicant and First and Third Respondents exchanged witness statements prior to the hearing. A bundle containing the evidence provided by the parties was prepared and considered by the Tribunal. Mr Tovin, Mrs Wright and Mr Rahman attended the hearing and provided further evidence and submissions.

13. On 9 December 2025, the Second Respondent, Ms Cox, made a case management application seeking permission to be able to rely on a statement and documents attached to it, out of time under the Tribunal's Directions dated 8 July 2025. She also sought permission to attend the hearing remotely. By Directions dated 11 December 2025, the Second Respondent was given permission to rely on her statement contained in her email to the Tribunal dated 11 December 2025 and the documents attached to it. The Directions also permitted remote attendance by video, provided that the courtroom could facilitate that. The courtroom for the hearing could not facilitate a video link and the Second Respondent did not appear.

The issues

14. The issues for determination were confirmed and agreed by the parties to be as follows:

i. Does the Tribunal have jurisdiction to determine the Application against the Third Respondent?

ii. Does the Landlord have the right/obligation to carry out the covenants and obligations on the part of the Management Company contained in the three leases, following the dissolution of the Management Company? The further issues below are only relevant if the answer to this issue is in the affirmative.

iii. Service charge year ending 2023. Are the sums included in the service charge budget for management fees and accountancy fees reasonable and payable by the Respondents?

iv. Service charge year ending 2024. Are the sums included in the service charge budget for management fees and accountancy fees reasonable and payable by the Respondents?

v. Service charge year ending 2025. Are the sums included in the service charge budget reasonable and payable by the Respondents?

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

The Tribunal's jurisdiction in respect of the Application against the Third Respondent

16. Mr Rahman gave evidence in his witness statement and at the hearing and made submissions on all of the issues set out above. However, his primary submission was that the lease of the Office Flat is a lease of commercial premises and so the Tribunal does not have jurisdiction under section 27A of the 1985 Act as against the Third Respondent. Mr Rahman told the Tribunal that the Office Flat was his shop.

17. The lease for the Office Flat is dated 7 April 2020 and is described on its front page as *"Lease of Ground Floor Office"*. The Permitted Use is *"as an office falling within Class B1 of the Schedule to the Town and Country Planning (Use Classes) Order …)"*. The Property is defined in the Lease as:" the *property known as ground floor office, 262 Church Road…including …the whole of*

the shop front". Plan 2 within the lease shows the demised premises as an office comprising a single room.

18. We accept the Third Respondent's evidence that the Office Flat is used as an office/shop and not as dwelling. We find that the Third Respondent's lease is a commercial use lease and is not a lease of a dwelling; that is the plain meaning and proper interpretation of the lease.
19. The Tribunal's jurisdiction for this Application arises under section 27A (1) of the 1985 Act: *"An application may be made to [this Tribunal] for a determination whether a service charge is payable…"*. A "service charge" for the purpose of section 27A is defined by section 18 of the 1985 Act as: *"…service charge" means an amount payable by a tenant of a dwelling as part of or in addition to the rent…"* (our emphasis).
20. As a result of our finding in paragraph 18, we have no jurisdiction to make any determination in respect of the Office Flat because it is not a dwelling.
21. Rule 9(2) of this Tribunal's Procedure Rules 2013 states: "*The Tribunal must strike out the whole or part of the proceeding or case if the Tribunal – (a) does not have jurisdiction…"*.
22. Accordingly, the Application against the Third Respondent is struck out. Our other decisions herein have no binding effect on the Third Respondent.

The Landlord's rights and obligations following dissolution of the Management Company

23. Under the Leases of 262A and 262B: (1) by clause 2.3 the Tenants covenant to pay to the Landlord *"… the Service Charge (save that whilst the Management Company continues to perform its covenants under this Lease the Service Charge shall be paid to the Management Company…"* ; (2) by Schedule 4 paragraph 2.1 the Tenants covenant to "*pay to the Management Company (or to the Landlord if the Landlord is performing its covenant in paragraph 6 of Schedule 6) the estimated Service Charge for each Service Charge Year in two equal instalments on the Service Charge Payment Dates";* and (3) Schedule 6 paragraph 6 provides "*If the Management Company goes into liquidation for any reason (whether compulsory or voluntary) or fails to perform its covenants and obligations in this lease then and in*

any such case the Landlord will… carry out the covenants and obligations on the part of the Management Company contained in this lease and in the event that the Landlord is required to comply with its obligations in this paragraph 6 all references to the Management Company in this lease shall be read and construed as references to the Landlord".

24. The Applicant's evidence was that the Management Company was dissolved on 22 June 2023. Mr Tovin produced a copy of an email from the Landlord dated 28 July 2025 which confirmed that following the dissolution of the Management Company, the Landlord took over the management and insurance responsibilities under the leases and appointed Springview Estates as managing agents on 22 June 2023. Mr Tovin submitted that the Landlord was entitled and required to take over the obligations of the Management Company after it was dissolved and that the lessees are obliged to pay the Landlord for services provided under the terms of the leases.

25. As we have struck out the claim against Mr Rahman, we will consider only the evidence and submissions of the First and Second Respondents on this issue and all others below.

26. The First Respondent said in her witness statement and in her submission to the Tribunal that she had arranged for the dissolution of the Management Company because it was not functioning. She had at all times agreed that the Landlord should, and had the right to, take over the management and appoint managing agents after such dissolution.

27. The Second Respondent's evidence was that she wanted the Management Company to be reinstated but that had not been done. Instead, she and Mr Rahman had set up a different new company and intended to manage the Property through that company. She said she had told Springview that she did not agree that the Landlord could manage the Property because she and Mr Rahman were undertaking the management under the new management company they had set up. Mr Johns conceded that the Landlord was entitled to "step in" following the dissolution of the Management Company and said that he did not seek to argue that there was any distinction between the dissolution of the Management Company and a "liquidation" for the purpose of Schedule 6 paragraph 6.

28. We accept Mr Tovin's evidence and find that the Management Company was dissolved on 22 June 2023 and that the Applicant appointed Springview as managing agent from that date.

29. We are satisfied that, following the dissolution of the Management Company, the Applicant was both entitled to and required by Schedule 6 paragraph 6 to "step in" to carry out the covenants and obligations of the Management Company under the leases. We come to this conclusion, firstly, as a result of Mr John's concession that the dissolution of the Management Company is no different to a liquidation for the purpose of that paragraph; and, secondly, because we are satisfied that the Management Company failed to perform its covenants and obligations from the time it was dissolved, as it was simply impossible for it to do so following dissolution. It follows that service charges properly made under the terms of the leases are payable to the Applicant by the First and Second Respondents and we give our decisions below on the specific charges that arise for consideration.

Service charge year ending 2023

30. Following its appointment by the Applicant, Springview sent to the lessees a "Budget Details Report 1 January 2023- 31 December 2023". That report contained 8 items of estimated expenditure and a sum for a reserve fund. At the hearing and in his position statement Mr Tovin confirmed that the Applicant only sought determinations from the Tribunal in respect of two of the items contained in the budget, namely accountancy fees and the fees of Springfield for its management charges. This was because these were the only costs that had actually been incurred by the Applicant, as the Applicant had not provided other services pending resolution of the question of whether it had the right and obligation to provide such services following the dissolution of the Management Company. Our determinations are accordingly limited to those two items. As the Applicant is seeking determination of costs that have been incurred, the Tribunal is required to decide whether the costs claimed are reasonably incurred and the services provided are of a reasonable standard, under section 19 of the 1985 Act.

31. Accountancy charges. Under Schedule 7, Part 2 1 (b) (ii) of the leases for 262A and 262B, the "Service Costs" payable by the

lessees include the costs, fees and disbursements reasonably and properly incurred of *"accountants employed by the Management Company to prepare and audit the service charge accounts"*. The First and Second Respondents did not challenge the Applicant's right to include accountancy charges in the service charge.

32. The Budget Details Report estimated £350 for accountancy fees. Mr Tovin's evidence was that Springview appointed SJA Associates Limited to prepare service charge accounts. Mr Tovin provided a copy of an invoice from SJA Associates Limited to the Applicant dated 1 February 2024 in the sum of £350 including VAT. Mr Tovin confirmed in evidence at the hearing that the service charge accounts detailed in the invoice had been prepared and delivered to the lessees. Although those service charge accounts were not in the hearing bundle, Mr Tovin provided a copy during the hearing.

33. The First and Second Respondents did not dispute that the accounts had been prepared and provided to them. They also did not challenge that the sum of £350 claimed by the Applicant was reasonable.

34. Accordingly, we find that accountancy fees in the sum of £350 are reasonable for the year ended 2023 and we determine that is the amount payable by the First and Second Respondent, to the extent of their respective proportions of the service charge.

35. Management Services. Under Schedule 7, Part 2 1 (b) (i) of the leases for 262A and 262B, the "Service Costs" payable by the lessees include the costs, fees and disbursements reasonably and properly incurred of "*managing agents employed by the Management Company for the carrying out and provision of the Services…".*

36. The Budget Details Report estimated a management services fee of £1350. Mr Tovin's evidence was that the fee actually incurred was £759, because Springfield was only appointed for part of the service charge year. Mr Tovin's evidence, in answer to questions at the hearing, was that there was no written management agreement between Springfield and the Applicant. So, there was no contractually agreed amount for the management fee. Instead, Mr Tovin said that the Budget figure was based on his experience of the likely work needed for a property of this nature and the amount charged reflected the work done. He said his company manage many properties and the fee charged is what they usually

charge for similar properties. Mr Tovin produced a copy of an invoice from Springview to the Applicant for the relevant period in the sum of £713.83, a slightly different figure to the figure said to have been incurred.

37. The First Respondent did not dispute the amount claimed.

38. Mr Johns for the Second Respondent accepted that management fees could be charged to the lessees but challenged the reasonableness of the amount claimed. Mr Johns submitted that the Property was small, there was very little communal space and the amount claimed was unreasonably high. He suggested a reasonable amount for a management charge should be no more than £250. However, the Second Defendant did not provide any evidence to support such a figure; in particular, no evidence of alternative quotes for the work by alternative managing agents were produced.

39. We find that the management services fee incurred in this service charge year was £759. This is the total of £713.83 included in the invoice relied on by the Applicant, plus the additional invoice for £45 relied on by the Applicant for "Out of hours emergency services"

40. We are satisfied that management fees in the sum of £759 are reasonable for the year ended 2023. In the absence of any evidence to support the suggestion that the fee claimed is unreasonable, we accept the Applicant's evidence that the fee charged is in line with a usual charge for a property of this type. We determine that is the amount payable by the First and Second Respondent, to the extent of their respective proportions of the service charge.

Service charge year ending 2024

41. Springview sent to the lessees a "Budget Details Report 1 January 2024- 31 December 2024". That report contained 8 items of estimated expenditure and a sum for a reserve fund. As with the year ended 2023, at the hearing and in his position statement Mr Tovin confirmed that the Applicant only sought determinations from the Tribunal in respect of two of the items contained in the budget, namely the incurred costs for accountancy fees and the fees of Springfield for its management charges.

42. The amounts claimed by the Applicant are £1350 for Management Services costs and £367.50 for Accountancy Charges.

43. For the management fees, the Applicant produced copies of two invoices from Springview to the Applicant. Both are for the sum of £675 for a half year period, giving the total of £1350 claimed.

44. For the accountancy fees, the Applicant produced an invoice from SJA Associate Limited dated 17 February 2025 for the preparation of service charge accounts, in the sum of £367.50. Mr Tovin provided a copy of the accounts prepared and there was no dispute from the First and Second Respondents that these had been sent to them.

45. The evidence and submissions of the parties in respect of these items was the same as we have set out in respect of the year ending 2023 above. The First Respondent did not challenge the reasonableness of the amounts incurred. The Second Respondent challenged the reasonableness of the management fee but produced no evidence to support her challenge.

46. For the same reasons as set out above for year ended 2023, we are satisfied that the accountancy fees claimed in the sum of £367.50 and the management fees claimed in the sum of £1350 are reasonably incurred and reasonable in amount.

Service charge year ending 2025

47. For this service charge year, the Applicant seeks a determination that the costs included in the Budget Details Report for the period 1 January 2025 – 31 December 2025 are payable by the lessees. These are estimated costs which the Applicant has asked the Respondents to pay on account of services to be incurred in the future. Under section 19(2) of the 1985 Act, no greater amount than is reasonable is payable for such costs, and after the relevant costs have been incurred any necessary adjustment shall be made by repayment, reduction of subsequent charges or otherwise.

48. Under Schedule 4 paragraph 2.2 of the Leases for both 262A and 262B, the Tenant (i.e. the First and the Second Respondent) covenants to pay "*the estimated Service Charge for each Service Charge Year in two equal instalments on the Service Charge*

Payment Dates". The Service Charge Payment Dates are 1 January and 1 July in every year.

49. The estimated service charge costs claimed by the Applicant are:

Electrical Maintenance	£ 250.00
Fire Equipment Maintenance	£ 450.00
General Repairs	£ 800.00
Out-of-hours emergency service	£ 45.00
Cleaning	£ 500.00
Accountancy Fees	£ 350.00
Management Services	£ 1,350.00
Fire & Safety Inspections	£ 220.00
Reserve Fund	£500

50. The parties' respective positions on the accountancy and management services charges were the same as set out above for previous years and no additional evidence was produced for this year.

51. The First Respondent did not challenge any of the items claimed. Neither Respondent disputed that the heads of services claimed for were services that the Applicant was required to provide pursuant to Schedule 7 Part 1 of their respective leases. There was no dispute that the Applicant was entitled under the leases to include a sum for a reserve fund; this is provided for in Schedule 4 Part 2 1. (a) (vi) of the leases of 262A and 262B.

52. The Applicant's evidence was as follows. In respect of electrical maintenance, Mr Tovin said there was a light fitting in the communal area and the estimated cost was for possible repairs/ replacement. As for Fire Equipment maintenance and Fire and Safety Inspections, Mr Tovin said that a fire assessment was needed and estimated costs were included for an inspection and for works that might be required by the assessment, such as fitting emergency lighting. The general repairs item was an estimated figure based on his experience of other similar buildings. The out of hours service cost was a cost that Springview incurred to engage a third party to be available to respond to emergency calls from lessees out of hours. The cleaning fee was the estimated cost of cleaning the corridor an entrance way that is common to 262B and the Office Flat. Mr Tovin accepted this was a small area but

said it was a limited cost if looked at as once monthly cleaning, so the total would be divided by 12 for each cleaning. The sum for the Reserve Fund was included to start building up a fund over a 7-8 year period for work that might be needed in the future.

53. Mr Johns for the Second Respondent challenged the reasonableness of the estimated costs for the fire equipment maintenance, general repairs, cleaning and the reserve fund. In respect of each of these items, the submission was that the costs claimed were too high to be reasonable, taking account of the very limited common parts area and the nature of the Property. No evidence was produced of any potential alternative, lower, costs that might be achieved with other contractors.

54. We accept Mr Tovin's evidence that the estimated costs included in the Budget Details Report for 2025 are reasonable estimates of service charge costs. As no service charge costs (apart from the Accountancy and Management Services fees dealt with above) have yet been incurred, there are no prior year actual costs that can be used to base the budget upon. While the Applicant has not obtained estimates for the anticipated items, we do not find that is unreasonable given the limited costs involved and the nature of the potential work. We find that Mr Tovin has prepared the budget estimates from his own experience of managing similar properties and that it was reasonable for him to do so. As far as the Accountancy and Management Services fees are concerned, we are satisfied that the estimated sums are reasonable, taking account of the costs that have been incurred in the previous years, as we have set out above.

55. The tribunal determines that the amount payable in respect of the estimated Service Charge for the Service Charge Year Ending 2025 is £4465. We determine that is the amount payable by the First and Second Respondent, to the extent of their respective proportions of the service charge.

Application under section 20C

56. In her statement of case and at the hearing, the First Respondent applied for an order under section 20C of the 1985 Act. At the hearing both the Second and Third Respondents also made such applications.

57. Section 20C(1) provides : "*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 the proceedings before [this Tribunal] …are not to be regarded as relevant costs to be taken into account in determining the amount of any service charge payable by a tenant…".

58. We need to decide whether it is just and equitable in all the circumstances to make any order under section 20C.

59. The First Respondent submitted that she always had after the dissolution of the Management Company made clear that she agreed that the Applicant had the right and obligation to manage. Further, the First Respondent did not challenge the reasonableness of the charges raised by the Applicant.

60. The Second Respondent submitted that she had raised genuine challenges to the charges raised by the Applicant and it was just and equitable that the landlord's costs should not be passed on to her in the service charge. Mr Johns conceded that the Applicant did have a right to include the costs of these proceedings in the service charge, if no order under section 20C is made.

61. As we have no jurisdiction to determine issues relating to the Office Lease, we cannot make any order under section 20C in respect of the Third Respondent.

62. Having heard the submissions from the parties and taking into account the determinations above, the Tribunal determines:

    (1) an order under section 20C in respect of the First Respondent is just and equitable. We are satisfied that the First Respondent did not oppose the determinations that the Applicant sought in any substantive way. Indeed, the First Respondent was supportive of the applications made and we are satisfied that the Applicant did not need to make the Application to resolve any issue in dispute between it and the First Respondent. Accordingly, the Applicant may not pass any of its costs incurred in connection with the proceedings before the Tribunal through the service charge that is payable by the First Respondent.

    (2) the Second Respondent's application for a section 20C order is refused. It is not just and equitable for such an order to be made because the Second Respondent has contested all of the questions raised by the Application and the Applicant has been successful, contrary to the case pursued by the Second Respondent.

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).