



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

Case reference : **CAM/00MG/LSC/2025/0651**

Property : **Flats 1 and 9, 4 Cicero Crescent and 2 Titus Court, Fairfields, Milton Keynes, MK11 4AU/4AS**

Applicant : **Comfypad Limited**

Representative : **Anthony Greenland, Director**

Respondent : **Adriatic Land 3 Limited**

Representative : **Anne Hogarth (Counsel), instructed by JB Leitch Solicitors**

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 Bernadette MacQueen
Mr Michael Ayres, FRICS**

Date of hearing : **13 November 2025**

Date of decision : **12 January 2026**

DECISION

Decisions of the Tribunal

- (1) The Tribunal determines that the sums charged for insurance for 2024 and 2025 by the Respondent are payable by the Applicant.
- (2) The Tribunal makes the determinations as set out under the various headings in this Decision.
- (3) The Tribunal does not make an order under section 20C of the Landlord and Tenant Act 1985. The Tribunal also does not make an order under Paragraph 5A of Schedule 11 Commonhold and Leasehold Reform Act 2002. The reasons for this are set out in this Decision.

The Application

1. The Applicant sought a determination pursuant to s.27A of the Landlord and Tenant Act 1985 (“the 1985 Act”) as to the reasonableness of the building and terrorism insurance charged by the Respondent for the service charge years 2024 and 2025.

The Hearing

2. The Applicant was Comfypad Ltd, and Anthony Greenland was the director of the Applicant company who appeared in person at the hearing and gave oral evidence to the Tribunal.
3. The Respondent was Adriatic Land 3 Limited and was represented by Anne Hogarth, Counsel instructed by JB Leitch solicitors. Neil Manwaring, asset manager and agent employed by Homeground Management Limited, gave evidence to the Tribunal as the Respondent’s witness.
4. The hearing took place via Cloud Video Platform (CVP). The Tribunal had before it a bundle of documents consisting of 563 pages prepared by the Applicant (the Bundle).
5. Neither party requested an inspection and the Tribunal did not consider that one was necessary, nor would it have been proportionate to the issues in dispute.

The Background

6. The Applicant held long leases (the Leases) for the properties as follows:
 - (i) Flat 1, 4 Cicero Crescent, Fairfields, Milton Keynes, MK11 4AU (“Flat 1”) subject to the terms of a lease dated 23 June 2016 and made between (1)

BDW Trading Limited, (2) Fairfields (Stony Stratford) Management Company Limited and (3) Amy Kate Martin (“Flat 1 Lease”). The Applicant’s leasehold interest in Flat 1 was registered at HM Land Registry under title number BM407062.

(ii) Flat 9, 4 Cicero Crescent, Fairfields, Milton Keynes, MK11 4AU (“Flat 9”) subject to the terms of a lease dated 28 June 2016 made between (1) BDW Trading Limited, (2) Fairfields (Stony Stratford) Management Company Limited and (3) BDW (F.R.) Limited (“Flat 9 Lease”). The Applicant’s leasehold interest in Flat 9 was registered at HM Land Registry under BM406983.

(iii) 2 Titus Court, Fairfields, Milton Keynes, MK11 4AS (“2 Titus”) subject to the terms of a lease dated 24 June 2016 made between (1) BDW Trading Limited, (2) Fairfields (Stony Stratford) Management Company Limited and (3) Thomas James Wakeland (“2 Titus Lease”). The Applicant’s leasehold interest in 2 Titus was registered at HM Land Registry under title number BM424515.

7. The Respondent, Adriatic Land 3 Limited, was the freeholder of Flats 1 to 7, 2 Cicero Crescent, Flats 1 to 9, 4 Cicero Crescent, Flats 1 to 7, 6 Cicero Crescent and 2 Titus Court. Homeground Management Limited (Homeground) was the Respondent’s appointed asset manager and agent.

8. Fairfields (Stony Stratford) Management Company Limited (“Fairfields”) was the named management company on the Leases and was responsible for carrying out the management functions under the Leases, including the collection of service charges. They had appointed a management agent namely Hegarty Property Management (Hegarty). The Tribunal had made directions on 20 August 2025 and had added Fairfields as the second Respondent. The Tribunal had directed that if the Applicant did not send case documents to Fairfields, they need not take part in these proceedings. Further, the Tribunal had provided that any party may apply for Fairfields to be removed from these proceedings. At the Applicant’s request, Fairfields was removed as a party to the proceedings.

The Leases

9. It was not disputed that it was the Respondent who was responsible for building and terrorism insurance under the Leases. Paragraph 6.1 of the Fifth Schedule provided that the Respondent must “keep the Building.... insured with an insurance office or underwriters of repute... in the name

of the Landlord against loss or damage by the Insured Risks.... for the full costs of the reinstatement (including demolition site clearance temporary works compliance with local authority requirements architects and surveyors fees other professional fees and other incidental expenses in each case with due allowance for inflation and Value Added Tax)..."

10. Building was defined as the block of Apartments of which the Property formed part.
11. Insured risk was defined in the Leases as meaning "fire lightning aircraft explosion earthquake storm flood escape of water or oil riot malicious damage theft or attempted theft falling trees and branches and aerals subsidence heave landslip collision accidental damage to underground services accidental breakage of glass and sanitary ware professional fees demolition and site clearance costs and public liability to anyone else and such other risks as the Landlord may from time to time in its absolute discretion decide acting reasonably".
12. By paragraph 9.3 of the Fourth Schedule of the Leases, the Tenant covenanted "to pay to the Landlord by way of further rent a fair proportion of the costs incurred by the Landlord in insuring the Building in accordance with its obligations hereunder such monies to be paid within 14 days of demand."
13. Further, it was not disputed that under the Leases, Fairfields did not have an obligation to insure the building. Fairfields' obligations were set out at clause 5 of the Leases:

"The Management Company relying on the covenants on the part of the Tenant set out in this Lease HEREBY COVENANTS with the Landlord and as a separate covenant with the Tenant to carry out the works and provide the services and to observe and perform the obligations on the part of the Management Company set out in the Lease".
14. The covenants on the part of the Management Company and the Tenant in respect of service charges were set out in the Seventh Schedule, and the Eight Schedule set out the provisions in respect of the Management Area and the Management Company.
15. It was therefore the position under the Leases that the landlord had to insure the Buildings and third party risks and the tenant had to pay the costs. These costs were outside the general service charge provisions of the Leases but there was no dispute and the Tribunal was satisfied that these insurance costs were "service charges" for the purpose of section 18 of the Landlord and Tenant Act 1985.

16. Fairfields, under Schedule Seven and Eight of the Leases, had to insure against director/officer liabilities and insure the estate area against third party, employer and public liability risks and such further insurances as the management company may reasonably effect.

The Law

17. Section 19 of the Landlord and Tenant Act 1985 provides:

- “(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.”

The Issues

18. At the start of the hearing the parties identified the issues for determination as being:

- whether the building and terrorism insurance charged by the Respondent to the Applicant was reasonably incurred for 2024 or (in the case of the estimated charges for 2025) reasonable;
- whether an order under section 20C of the Landlord and Tenant Act 1985 and/or paragraph 5A of Schedule 11 to the Commonhold and Leasehold Reform Act 2002 should be made;
- Whether there should be an order for the reimbursement of fees paid by the Applicant to the Tribunal in respect of application/hearing fees.

19. 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 Applicant's Position

20. The Applicant had provided a witness statement to the Tribunal and also gave oral evidence. It was the Applicant's position that Fairfields had demanded service charges from them; however; building insurance had

been included in error. Given that the insurance cost demanded by Fairfields for 2024 and the budget amount for 2025 were, in the Applicant's view, considerably lower than those raised by the Respondent, the Applicant submitted that the amount charged by the Respondent was not reasonable. It was the Applicant's position that they had provided like for like quotations as Hegarty had insured the same three flats on the same site at much lower premiums.

21. The Applicant confirmed that Fairfields accepted that it was the Respondent who should charge insurance and therefore no demand for building insurance had been made by Fairfields to the Applicant. The only issue for the Tribunal was therefore the reasonableness of the amount demanded by the Respondent for building insurance.
22. The Applicant summarised the price difference between the premiums that Hegarty on behalf of Fairfields had obtained and those charged by the Respondent, as follows:

Property	Insurance Charge	Insurance Charge	Insurance Charge	Insurance Charge
	Fairfields for 2024	Respondent for 2024	Fairfields for 2025 (budget cost)	Respondent for 2025
1, 4 Cicero	£225	£381.03	£223.33	£355.11
9, 4 Cicero	£225	£381.03	£223.33	£355.11
2 Titus	£260	£426.59	£337.50	£431.05
Total	£710	£1,188.65	£784.16	£1,141.27

23. The Applicant further submitted that the Respondent had refused to cooperate with Fairfields to obtain best value for leaseholders when the Applicant pointed out the difference in the premiums. It was the Applicant's position that it was unreasonable for the Respondent not to engage with Fairfields' managing agent, Hegarty, to secure competitive insurance.

24. The Applicant therefore submitted that the Respondent was in breach of the obligations under section 19 of the Landlord and Tenant Act 1985. The Applicant asked the Tribunal to find that the Applicant should be reimbursed the difference between the amount charged by the Respondent and the amount the management company would have charged

The Respondent's Position

25. The Respondent's position was that the insurance premiums that they had charged had been reasonably incurred, and specifically that the premiums were competitive against the market standard. Neil Manwaring, Head of Insurance for Homeground Management Limited, had provided a witness statement (pages 99 to 101 of the Bundle) and gave oral evidence to the Tribunal.
26. Neil Manwaring confirmed that, under a property management agreement, Homeground arranged insurance on behalf of the Respondent and that Homeground operated under an Appointed Representative Agreement between Homeground and AJ Gallagher, who were an independent Financial Conduct Authority regulated broker. This was supported by letter of 18 October 2024 which was at pages 416 to 419 of the Bundle in which AJ Gallagher stated that they had sought quotations from 28 insurers and, after using their judgement and market awareness, had decided which insurer to approach. The letter confirmed that they had recommended the insurer they believed best met the policyholder's requirements, price, extent of cover and policy benefits provided by the insurer (page 417).
27. Neil Manwaring confirmed the content of an email dated 29 April 2025 sent by Homeground Insurance to the Applicant (page 300 of the Bundle) that it was his view that the main reason for the insurance premium charged by Hegarty being lower was because the reinstatement value used by them was much lower than the reinstatement value used by the Respondent.
28. Neil Manwaring confirmed that the rebuild costs had been assessed in 2023 by a RICS surveyor. He submitted that it was important for the reinstatement costs to be accurately assessed because if insurance was obtained for only 50% of the reinstatement costs then every claim would only be paid out at 50%. Further, Neil Manwaring confirmed that the reinstatement costs had been index linked in order to maintain accuracy for future years.
29. Further, Neil Manwaring by email dated 29 August 2024 (page 341 to 342 of the Bundle) had compared the cover obtained by Hegarty for Flats 1-9, 3 Cicero Crescent with the Respondent's cover for Flats 1-9, 4 Cicero Crescent. It was accepted by both parties that these properties were very similar properties and so could be compared; however, it was the

Respondent's position that the insurance policies obtained by the Respondent and Hegarty were not like for like, with the differences being summarised as follows:

	Flats 1-9, 4 Cicero Crescent	Flats 1-9, 3 Cicero Crescent
Premium	£3,196.03	£1,662.55
Rebuild Cost	£2,687,004	£1,461,000
Premium Rate vs Rebuild Cost	0.119%	0.114%
Terrorism Cover	Yes	No (but covered under a separate policy)
Basement Flood XS	£350	£5,000
Flood/Storm Xs	£350	£400
Escape of Water	£400	£500

Given that the reinstatement value was a factor, Neil Manwaring confirmed that following the Applicant's approach to them, Homeground had asked surveyors to double check the reinstatement value and had been advised that the surveyors stood by their figures. The email of 29 April 2025 concluded:

"With this in mind, we continue to believe that the cover we arrange is on the correct basis and that the premium is competitive."

30. It was the Respondent's position that the Applicant had not obtained a like for like comparison on which to base an argument that the premiums demanded by the Respondent were unreasonable. Further, it was the Respondent's position that the Applicant had not provided alternative quotations from other insurance providers which covered the same insured risk as that covered by the Respondent's policy. It was the Respondent's position that the insurance premiums for the years 2024 and 2025 were reasonably incurred and demanded in accordance with the Leases.

31. As to the Applicant's position that the Respondent had not cooperated with Fairfields, the Respondent averred that they had no obligation to cooperate with Fairfields in respect of insurance. The Respondent reiterated that it was the Respondent's obligation under the Leases to procure and provide building insurance and the Respondent was entitled to demand payment of insurance directly from the leaseholders. The Respondent submitted that, despite this, they had on several occasions invited the Applicant and Hegarty to provide comparable quotations.
32. Neil Manwaring told the Tribunal that Homeground's insurance department had engaged with the Applicant and Hegarty and that, despite requests, had not been provided with a like for like quotation that would enable Homeground to investigate the premium that Hegarty had obtained with their insurer and broker.
33. The Respondent confirmed that the Applicant had been provided with an insurance Leaseholder Disclosure Document via the customer portal on 19 November 2024 and by email on 23 April 2025. This included a summary of cover, details of the policy premium, information surrounding insurer selection, group placements and remuneration.
34. The Respondent stated that they had asked the Applicant if they required any further information in order to be able to obtain a like for like quotation and had sent follow up emails to ask if the Applicant had been able to obtain a like for like quotation, including by email of 31 July 2025 (page 209 of the Bundle).
35. The Respondent therefore concluded that the Applicant's application was misguided. The Applicant had disclosed no like for like quotations and the insurance obtained by the Respondent had been placed by the Respondent in accordance with the Leases, having been secured through AJ Gallagher following market testing.

The Applicant's Reply Regarding the Respondent's Insurance Policy

36. The Applicant submitted that all blocks managed by Hegarty had had a RICS reinstatement valuation and submitted that this valuation was more up to date than the Respondent's valuation.
37. The Applicant stated that terrorism had been covered by Hegarty through another policy at a cost of £94.55 per block per year as this was covered by a policy for the whole of Fairfields Estate (email of 29 August 2024, page 341 of the Bundle).
38. The Applicant noted that the insurance excess for basement flood for 4 Cicero Crescent was £350 whereas the excess for 3 Cicero Crescent was £5,000. The Applicant submitted that there were no basements at the properties (as confirmed by the Cardinus report at page 423 of the

Bundle); it was therefore appropriate for the excess for basement flood to be £5,000 which would reduce the premium. Neil Manwaring's evidence to the Tribunal was that there was no evidence before the Tribunal as to the effect that increasing the excess for basement flooding would have on the premium.

The Tribunal's Decision

39. The Tribunal determines that the sums charged for insurance for 2024 and 2025 by the Respondent are payable.
40. It was not disputed that the responsibility to place building insurance fell upon the Respondent under the Leases, and the Leases provided that this insurance was payable by the Applicant to the Respondent. The issue for the Tribunal is therefore whether the relevant costs were reasonably incurred or (in the case of the estimated charge for 2025) reasonable.
41. The Tribunal finds that, in order to obtain the relevant insurance, the Respondent tested the market through AJ Gallagher. Further, the Tribunal accepts the evidence of the Respondent that 28 companies were approached and the insurance provided was secured based on policyholder requirements, price, extent of cover and policy benefits as set out at pages 412-415 of the Bundle.
42. The Tribunal accepts the analysis of Neil Manwaring (as set out above, and particularly in the table at paragraph 29) that the Applicant has not provided a like for like quotation. Specifically, the Tribunal accepts the evidence of Neil Manwaring that the primary driver for the difference in premium between Hegarty and the Respondent was the reinstatement costs. The Tribunal accepts the evidence of the Respondent that a RICS survey was completed and that this was the basis upon which insurance had been obtained. Whilst the Applicant suggested that Hegarty had obtained a different reinstatement price through a RICS survey, there was no evidence before the Tribunal to challenge the basis on which the Respondent had reached their reinstatement value.
43. The Tribunal does not accept the Applicant's position that the Respondent was unwilling to engage. There was no requirement for the Respondent to engage with Hegarty. In any event, the Tribunal accepts the Respondent's evidence that they provided all of the relevant information in order for the Applicant to obtain a like for like quotation and in particular the Tribunal noted the emails of 30 April 2024 (page 298 of the Bundle) and 31 July 2025 (page 297 of the Bundle).

Application under s.20C and Refund of Fees

44. The Applicant made an application for a refund of the fees that they had paid in respect of the application/hearing. 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.

45. The Applicant applied for an order under section 20C of the 1985 Act. The Applicant submitted that the dispute had arisen solely from the Respondent's conduct which, the Applicant submitted, was to demand inflated insurance premiums and not coordinating with Fairfields to obtain competitive cover.
46. As stated above, the Tribunal does not accept the Applicant's position that the Respondent refused to cooperate with the Applicant.
47. The Tribunal does not make an order under section 20C of the 1985 Act or paragraph 5A of Commonhold and Leasehold Reform Act 2002. In light of the findings made, the Tribunal does not find it just and equitable to make such orders.

Name: Judge Bernadette MacQueen

Date: 12 January 2026

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).