FIRST-TIER TRIBUNAL
PROPERTY CHAMBER (RESIDENTIAL PROPERTY)

Case reference	**:**	**CAM/00MD/LSC/2025/0663**
Property	**:**	**Flat 6 Kingsway**
Applicant	**:**	**Sonia Kalsi**
Representative	**:**	**In person**
Respondent	**:**	**LaRoche Management Ltd**
Representative	**:**	**Mr James Saint of Alba Management**
Date of Application	**:**	**23 June 2025**
Type of application	**:**	**Application for a determination of liability to pay and reasonableness of service charges, section 27A Landlord and Tenant Act 1985**
The Tribunal	**:**	**Tribunal Judge S Evans** **Gerard Smith FRICS FAAV**
Date/ place of hearing	**:**	**24 November 2025** **By remote video**
Date of decision	**:**	**22 December 2025**

DECISION

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(1) The Tribunal determines that the cost of Rentokil was reasonable, and the Applicant's share of 1/6 is payable (£1999);

(2) The Applicant's share of the bathroom refurbishment works is reduced to 1/6 of a reasonable amount (assessed at £9963) i.e. £1660.50;

(3) The external works cost was reasonably incurred and is reasonable in amount. The Applicant's share is £316;

(4) The cost of alternative accommodation is not a rechargeable item under the express terms of the Lease. We therefore disallow the Applicants proportion (£239.93);

(5) A management fee for the works is reasonable, but the Applicant's contribution to the management fee for the works is reduced to £83.33;

(6) The Tribunal makes an order in favour of the Applicant pursuant to s.20C Landlord and Tenant Act 1985 and para 5A Schedule 11 of CLRA 2002;

(7) The Tribunal grants the Applicant's application for reimbursement of her application fee and hearing fee in the total sum of £300, payable by the Respondent within 28 days of the date of this decision.

REASONS

Background

1. References in square brackets are to pages in the parties' bundles (prefaced "A" for the Applicant's bundle, and "R" for the Respondent's).
2. In 1983 the Victorian Building in which the Property is situated was converted into 6 flats over 3 levels: ground floor, first floor, and second floor.
3. The Property consists of two bedrooms, a hall, a living room, kitchen, and a bathroom.
4. On 27 September 1983 a Lease was granted by Simons and Simons as lessors to Gardetto and Gardetto as lessees, with a management company as a third party, for a term of 99 years from 24 June 1983 [A61].
5. On 1 February 2015 a deed of variation was executed in relation to the Lease, extending the term to 999 years from 1 June 2008 [A89]. The said deed also appointed the Respondent as Management Company under the Lease.

6. In 2018 also Alba Management Services ("Alba") was appointed by the Respondent as managing agent.

7. On 2 October 2024 a report from AA Consultancy Limited was commissioned in relation to issues of dry rot in flat 2 in the Building [A96].

8. On 22 November 2024 a stage 1 notice of intention pursuant section 20 of the Landlord and Tenant Act 1985 was served on the previous owner of the Property [A42-43].

9. On 29 November 2024 the Applicant became the Leaseholder owner of the Property. She also has a share of the freehold.

10. The consultation period expired on 22 December 2024 in relation to the stage 1 section 20 notice, and it would appear that no observations were made by any of the 6 Leaseholders.

11. On 24 December 2024 Kenwood PLC, following its inspection of the ground floor flat 2, wrote to Alba, providing a quotation in relation to issues of dry rot affecting the bathroom and bedroom. This quotation is in the sum of £17,985 + VAT [A46-47].

12. On 28 January 2025 Rentokil provided a quotation for dry rot treatment in flat 2, in the sum of £9995.60 plus VAT [A48].

13. On a date unknown, a quotation was obtained for preparation works before the Rentokil works, plus works of reinstatement after the Rentokil dry rot treatment, in the sum of £15,210 [A49/R14].

14. On 28 February 2025 Purssell Randall provided a quotation for works excluding the Rentokil works, in the sum of £22,680 [A50].

15. On the date unknown, DGS provided a quotation for some works which were mainly external, in the sum of £2120 plus VAT [A52].

16. On a date unknown, Ellis Enterprises provided a quotation in the sum of £2580 plus VAT [A52].

17. On 12 March 2025 Alba wrote to the Applicant with the necessary paperwork to enable her to apply to become a director of the Respondent company. It is alleged that no response was received [R3].

18. On 27 March 2025 Alba wrote to the Applicant with a Stage 2 notice under section 20 of the 1985 Act, in other words a statement of estimates [A57]. This stated the names of the contractors and the prices of all the quotations previously mentioned, plus a sum of £2000 for alternative accommodation, presumably for the occupier flat 2 while works were executed.

19. On 11 April 2025 a demand for payment was made of the Applicant in the sum of £6384.75.

20. On 24 April 2025 the Applicant wrote to the Respondent requesting the full quotations of the various contractors [A116].

21. On 14 May 2025 the Applicant made the Respondent aware of her intention to challenge the service charge demand in respect of dry rot works.

22. On 29 May 2025 the Respondent made an application under section 20ZA of the 1985 Act for dispensation with consultation requirements in relation to the dry rot works.

23. On 17 June 2025 various documents were sent by the Respondent to the Applicant, including a copy of the stage 1 notice, and a complete set of the quotations of the contractors.

24. On 31 July 2025, in case reference number CAM/00MD/LDC/2025/0640, the Tribunal granted dispensation unconditionally to the Respondent in relation to the section 20 works mentioned in this case [R98-113].

The Application

25. On 23 June 2025 the Applicant issued the instant application under section 27A of the 1985 Act [A3-24].

26. The Applicant challenges service charges for the year ending 2025 in the following categories:

    (1) Rentokil works to address dry rot £11,994

    (2) Bathroom works £18,252

    (3) External works £2544

    (4) Alternative accommodation £2000;

    (5) Management fee.

27. On 7 August 2025 Judge Wyatt gave directions on the instant application [A25-32].

28. On 8 August 2025 Alba wrote again to the Applicant with another demand in the sum of £6384.75. The copy before us in the bundle does not contain any summary of rights and obligations for Leaseholders[A39].

29. On 29 August 2025 the Applicant sent her statement of case by e-mail [A33-37].

30. On 28 September 2025 the Applicant wrote to the Tribunal seeking permission to appeal the dispensation decision.

31. Sometime in October 2025 the works were allegedly completed.

32. On 3 October 2025 the Respondent wrote via Alba with another copy of the stage 1 notice [A41].

33. On 13 October 2025 the Respondent produced its statement of case [R1-2] and documents.

34. On 14 October 2025 the Tribunal wrote to the Respondent granting an extension of time to provide its statement of case, on the condition it provided a supplemental hearing bundle by 14 November 2025, to include its documents and any reply from the Applicant.

35. The Applicant produced her reply on 29 October 2025 by e-mail [R16-20].

36. We have been provided with the Applicant' bundle [A1-117] and the Respondent's bundle [R1-20], which we have read in full.

The Lease

37. By clause 2(b), the Applicant covenants to pay a service charge [A63].

38. Clause 5 of the Lease contains the lesssor's covenants, by reference to Part 1 of Schedule 7 [A64].

39. Clause 6 of the Lease contains the management company's covenants, by reference to Part 2 and 3 of Schedule 7 [A64].

40. Schedule 1 of the Lease contains the definition of demised premises, which essentially are non structural parts only, since the following are excluded from the demise:

"foundations structural floors walls columns and beams which are load bearing or structural and the external walls of the building and painted or varnished surfaces of external doors and windows of the demised premises…" [A64].

41. Schedule 3 paragraph 2 contains the service charge machinery [A67].

42. Schedules 5 and 6 contain the lessee's covenants [A71-79] .

43. Pursuant to Schedule 7 Part 1 paragraph 2, the landlord covenants that all leases in the building are to be in substantially the same form [A79].

44. By Schedule 7, Part 2 of the Lease there are the covenants by the management company [A79-81], which include at paragraph (d) the requirement to supply the lessee with a statement showing the service charges within 3 months of the service charge year end (24 June).

45. Schedule 7 Part 3 contains obligations on the part of the management company, including repair etc of the reserved property [A81].

46. As already mentioned, on 1 February 2015 by deed of variation the Respondent took the obligations of the management company under the Lease, which was extended to a term of 999 years from 1 June 2008.

The Hearing

47. The hearing took place remotely by video. The Applicant represented herself. The Respondent was represented by Mr James Saint. .

48. The Tribunal indicated that it would appear that Judge Wyatt's directions of 7 August were made in ignorance of the Respondent's s.20ZA application; and

that in any event the Tribunal has now decided that dispensation with consultation requirements should be granted. That decision stands until set aside or successfully appealed. As a result, this Tribunal cannot consider again whether or not the consultation requirements were complied with.

49. Accordingly, the only issues remaining to be determined were:

(1) whether the disputed service charges are payable under the terms of the Lease;

(2) whether the relevant costs were reasonably incurred;

(3) whether an order under section 20C of the 1985 Act and/or paragraph 5A of Schedule 11 to the 2002 Act should be made;

(4) whether an order for reimbursement of application and or hearing fees should be made.

Discussion and determination

(1) The Rentokil Works

50. These works were necessary in flat 2, the Respondent contends, because of the presence of dry rot seemingly caused by a leaking downpipe on the outside of the building.

51. The Applicant's main complaint was of long term neglect, based on paragraphs 4.1 and 5.14 of Mr Cobb's report, which was a pre-sale report. Had regular maintenance taking place, these works would not have occurred, she alleged.

52. Paragraphs 4.1 and 5.14 of Mr Cobb's report opine:

"4.1… It does appear that the property has been neglected for a number of years, although some works have recently been undertaken, and I understand from the secretary of the management company that there are further planned works in the near future."

"5.14… The guttering could be inspected closely, and is clogged with leaves and other debris. Cast iron downpipes are rusting and require early replacement in PVC. A general overhaul of the rainwater goods is required. It is important to keep guttering clear of leaves and other debris to limit damp penetration. The system should be regularly checked for leaks, and any noted should be immediately attended to. There are areas of buildup of debris on the felt roof areas, which are also due to a lack of adequate surface water drainage, and this will result in the rapid deterioration of the central felt roof."

53. We also note the report of Kenwood Plc dated 24 December 2024 which opines in relation to the dry rot the following:

"The defect appears to be due to defective rainwater goods / drainage defects"

54. The Applicant did not dispute the cost of the works at £9995 + VAT. These were paid by the Respondent in 2 tranches, each of £5697.36 on 7 October 2025 and 24 November 2025.

55. The Applicant is charged 1/6 of these costs. She did not challenge apportionment, despite the Tribunal raising the fact that the Lease requires her proportion to be based on rateable values of flats in the building.

56. The Applicant contended that water ingress must have been taking place over a long time for dry rot to have occurred. She pointed to photographs in Mr Cobb's report of poor drainage and clogged rainwater goods [A135 and A141].

57. The Respondent responded:

(1) Its work schedule for 2018 to 2025 in the bundle revealed regular maintenance of rainwater goods [R12];

(2) Whilst there is no gutter contract, contractors would do a full clearance annually towards the end of the year, and no issues of leakage had been raised;

(3) Other gutter clearance is undertaken, as and when needed;

(4) Although contractors' works are not specifically supervised, the contractor is one which the Respondent works with a lot, and in whom they trust;

(5) The contractors do send images of their works to Alba, but they were not in the bundle;

(6) The building is a very old building with heavy tree cover;

(7) Extensive works have been required over the years, and the Respondent has to be sensible with the level of service charges demanded;

(8) Mr Saint does not believe a full report was provided by Rentokil;

(9) The leaking down pipe is probably the one on the front of the building looking at the building from the road.

58. Neither party drew any law to the Tribunal's attention. However, the Tribunal is familiar with the often cited case of *Continental Property Ventures Ltd*

v White [2007] L&TR 4. As explained in *Radcliffe Investment Properties Limited v Meeson* [2023] UKUT 209 (LC), the *Continental* case was

"....concerned with costs incurred by a landlord in 2002 in damp proofing and redecoration work which had been made necessary because of a leaking pipe. The cost of the work would largely have been avoided if the landlord had carried out repairs between 1994 and 1997 when the need for them first arose. The landlord's failure to carry out the repairs within a reasonable time was a breach of its repairing covenant. At first instance the LVT held that most of the cost of the work had not been reasonably incurred and that only the cost of repairing the leaking pipe was recoverable; the rest was irrecoverable because it was the cost of remedying the landlord's historic breaches of covenant. The Lands Tribunal disagreed with the LVT's reasoning, but agreed that only the lesser sum was recoverable, because the tenants were entitled to set off a claim for damages for breach of covenant to reduce the cost which had been reasonably incurred."

59. At paragraph 15 of *Continental*, HHJ Rich QC sitting in the UT had held (emphasis added):

"It was submitted that the determination of such claims for damages was outside the jurisdiction of the LVT. I accept that the LVT has jurisdiction to determine claims for damages for breach of covenant only in so far as they constitute a defence to a service charge in respect of which the LVT's jurisdiction under s.27A has been invoked..."

60. In the instant case, the Applicant has not advanced a claim for a set-off by reason of breach of covenant. However, we determine, that even if she had, or some latitude were afforded to her, the evidence which she has adduced is not strong enough for the Tribunal to find the Respondent in breach of covenant. The report of Mr Cobbs does not address dry rot or the causation thereof, and even Kenwood's opinion is tentative. We do not have the Rentokil report. We have precious little information about the location of the leak which caused the dry rot. We have no information about the location, size and extent of the dry rot (Mr Saint had not inspected it), although we agree (as an expert Tribunal) with the proposition that dry rot is generally insidious, and takes place over a period of time within concealed areas where moisture levels are suitable for growth (as here).

61. But each case is on its own facts, and here the Applicant here does not have enough straw to make the bricks with which to build the foundation of a successful claim against the Respondent, we determine.

62. The Tribunal therefore determines that the cost was reasonably incurred, and the Applicant's share of 1/6 is payable (£1999).

(2) Bathroom works

63. The cost was clarified to be a total of £19,926, broken down in 2 tranches as follows: £13,948.20 and £5977.80.

64. The costs related to the removal and renovation of the bathroom in flat 2, in between which the Rentokil dry rot works were done.

65. The Applicant had no alternative quotations for these works, but contended she had not been able to undertake the analysis of the breakdown of the works. She contended the Respondent had been guilty of a lack of transparency; she had written to the Respondent on 23 and 24 April 2025 requesting its quotations, but had not received any information until 17 June 2025.

66. The Applicant further contended that the Respondent had undertaken a degree of betterment to the condition of flat 2. While the bath no doubt needed to be removed, she said a shower had been put in its place, plus the installation of a new suspended ceiling, and amtico flooring. She asked the Tribunal to make a significant reduction to reflect this betterment.

67. The Respondent contended that it had obtained 2 quotations, based on what Rentokil said needed to be done, although their report was not in the bundle. Mr Saint was unable to give details of the refurbishment, nor what the state of the bathroom was before the works. He was able to indicate that the main director of the Respondent company (Mr Daly) had chosen the works to be done in conjunction with the contractors, and that he is the occupier of flat 2.

68. The Respondent contended that the items removed from the bathroom could not be simply put back because the contractors said the existing bath was too large to store on site, although he could not say what it was made from. Mr Saint was unable to explain why the bath could not simply have been covered and stored on site. Whilst each flat had a storage area in the basement, he could not say whether flat 2's would be of a size and proportion to accommodate the bath. He could not explain why a shower had been installed, save that it was a practical solution. He could not explain why tiles needed to be removed in the bathroom, nor why a suspended ceiling was added. He apologised that he had little insight and was unable to assist further.

69. The Tribunal agrees that the cost of the bathroom renovation was not reasonable in amount. The substantial sum of £19,926 could not be justified by the Respondent, in particular the additional costs of a shower, a suspended ceiling and the replacement flooring. Save for the boxed in WC, we were not satisfied by the explanation as to why other installations removed could not be

re-installed, particularly the bath. We note the original towel rail and sink were re-used. We therefore agree with the Applicant that the refurbishment included a degree of betterment.

70. Doing the best we can in the absence of a fully costed schedule of works (which could have been provided by the Respondent) we consider that a reasonable cost for the works would be half that which was charged, i.e. £9963. We have reached that sum by removal in full of the cost of the shower, tiling and floor adhesive at £1820 ex VAT, £1500 and £300 respectively (which are separately costed items on [A49]), then applying a notional 33% discount in relation to the suspended ceiling, spotlights, wall tiles, ditra mat and amtico flooring.

71. The Applicant's share of the bathroom works is therefore reduced to 1/6 of £9963, namely £1660.50

(3) External works

72. The cost in fact was clarified to be a total of £1896 (£1580 + VAT), as shown by the invoice dated 17 October 2025 from Ellis, the chosen contractor.

73. The Applicant confirmed that she raised no challenge bar the late provision of information on 17 June 2025.

74. The Tribunal therefore determines that this cost was reasonably incurred and reasonable in amount. The Applicant's share is 1/6, i.e. £316.

(4) Alternative accommodation

75. Mr Saint provided invoices showing an actual cost of £1439.60. This cost was incurred in providing alternative accommodation for 27 days for Mr Daly of flat 2 whilst the works were undertaken.

76. The Applicant's contention is that the Lease does not provide expressly enable the Respondents to be able to recharge such costs. Mr Saint was unable to point to any particular part in the Lease which would indicate that the Respondents could claim for this sum.

77. Mr Saint confirmed that the decision to include this as a service chargeable item was undertaken by Alba and the Respondent's director in conjunction, in other words he and Mr Daly. However, they did not undertake an assessment of the Lease before making that decision.

78. In the Tribunal's determination, the cost of alternative accommodation is not a rechargeable item under the express terms of the service charge machinery in the Lease.

79. We therefore disallow the Applicants proportion of this cost (£239.93).

(5) Management fee

80. The Applicant contended that whilst a fee of sorts might reasonably be included as part of these works, the issue here was of the lack of transparency: the Respondent had not given details of how the management fee was calculated, but she believed it to be 15%. She also contended that there was a conflict of interest between Alba and the director of the Respondent. When quizzed further by the Tribunal in relation to this latter contention, the Applicant said that the director Mr Daly had exercised influence on Alba to the detriment of the Leaseholders.

81. Mr Saint informed the Tribunal that the cost was 10% plus VAT.

82. He referred to a spreadsheet which showed interim fees of £2583 were payable, and that there was a minimum of another £861 to be put onto the final account.

83. He added there was no reserve fund available to use, given external works had been previously done and had exhausted the same.

84. Given the inability of the Alba's Mr Saint answer questions in relation to nature of the refurbishment works (Mr Saint had not inspected them), we are not satisfied there has been a satisfactory degree of actual management of this project by Alba.

85. We are prepared to allow a cost of £500 including VAT for the s.20 procedure, which was of course undertaken by correspondence.

86. The Applicant's share of that sum (assuming 1/6) is £83.33.

Section 20C/ para 5A CLRA 2002

87. The Applicant sought protection under the above provisions against the imposition of a service charge and/or administration charge relating to the costs incurred by the Respondent in relation to these proceedings.

88. The Applicant repeated her complaints about lack of transparency in this matter by the landlord. This not only went to the issue of the correspondence that she had sent, with responses delayed, but also the lack of transparency about the works actually undertaken to flat 2, even during the hearing.

89. Mr Saint contended that the proceedings were not brought about by themselves; the Respondent had been forced into it. He contended that all documents had been available on request. The Respondent had also followed the section 20 procedure and had been granted dispensation by the Tribunal,

notwithstanding that they did not consider there had been any breach of the consultation requirements. They had been "black and white" on the estimates. He also pointed to the fact that the Respondent had offered the Applicant a position as director, but she had chosen not to be appointed.

90. In reply to that last point, the Applicant contended that her rights were as a member of the management company and/or as a leaseholder, irrespective of directorship.

91. In the Tribunal's determination, the Respondent has not been as forthcoming with information as it might suggest. We agree with the Applicant that her rights are those of a leaseholder irrespective of directorship of the Respondent company, and her decision not to be a director does not provide an excuse for lack of transparency in relation to the figures and the works, which is evident in this case.

92. We therefore consider that it is just and equitable to make an order that the costs of these proceedings are neither recoverable from the Applicant by way of any future service charge nor by an administration charge.

93. For similar reasons, we award the Applicant the application fee of £110 and the hearing fee of £220, payable by the Respondent within 28 days of this decision.

Name: Tribunal Judge S Evans **Date**: 22 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.