



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

Case reference : **CHI/45UG/LSC/2024/0084**

Property : **Newacre House, Wood Street, East
Grinstead, West Sussex, RH19 1UR
Sarah-Jane Nii-Adjei (Flat 66)
Rob & Nicky Humphrey (45 and 46)
Pam Lintott (23)
Leroy Lowe (1)
Nicole Cooper (8)**

Applicant : **Ian Hamilton and Alison Williams (22)
Danielle Glanville and Louis Groves (67)
K.S. Seneviratne (7)
Paul and Shirley Kaye (17)
Robert Lee (68)**

Representative : **Sarah-Jane Nii-Adjei (66)**

Respondent : **Gem Limited**

Representative : **Galliard East Grinstead Ltd**

Type of application : **Determination of the liability to pay
service charges under section 27A of the
Landlord and Tenant Act 1985**

Tribunal members : **R Waterhouse FRICS
K Ridgeway MRICS
T Wong**

Venue : **Havant Justice Centre, Elmleigh Road,
Havant, Portsmouth.**

**Date of hearing/
decision** : **20 November 2025/ 10 January 2026**

DECISION

Decisions of the Tribunal

- (1) The Tribunal determines the service charge as demanded for the budget service charge years 2023 and 2024 in respect of electricity, building insurance, lift maintenance, management fee, reserve fund contributions, and gardening are payable as demanded without deduction.**
- (2) The Tribunal does not make an order under section 20C of the Landlord and Tenant Act 1985 nor the Commonhold and Leasehold Reform Act 2002 Paragraph 5A of Schedule 11.**

Background

1. The Applicant made an application dated 30 April 2024 for determination of liability to pay and reasonableness of service charges for the following budget service charges 2023 and 2024 for various items within the service charge.
2. The Applicant further seeks orders pursuant to Section 20C of the Landlord and Tenant Act 1985 and paragraph 5A of Schedule 11 of the Commonhold and Leasehold Reform Act 2002.
3. Directions were issued on 13 November 2024 listing the application for a case management and dispute hearing on the 13 December 2024.
4. The hearing took place at the Havant Justice Centre on the 13 December with Judge Whitney, and was attended by Sarah-Jane Nii-Adjei, Robert Humphrey and Leroy Lowe for the Applicant and Julian Harper-Brown, Steven O'Connor, Steve Carlino and Darcie Grayston-Hurley of Gem Management. Mediation was proposed by the Tribunal and in the event of that not being taken up then Directions applying. The Directions set out a timetable for the exchange of documents in preparation to a hearing, for June or July 2025. The parties subsequently notified the hearing would take place on the 3 June 2025.
5. The Directions at paragraph 22 required the Applicant to submit a hearing bundle to the Tribunal and the other party by 23 May 2025 and included a notice of intention to strike out if no such bundle was received.
6. The Tribunal did not receive a hearing bundle from the Applicant. The Tribunal therefore struck out the application in accordance with Rule 9 (1) of The Tribunal Procedure (First-tier Tribunal) (Property Chamber) Rules 2013 on the ground that the Applicant has failed to comply with a Direction.

7. The Applicant sought to re-instatement of the application. The Tribunal found that the failure to provide a bundle was as a result of misunderstanding rather than wilful refusal, on balance the application was re-instated. Further Directions dated 30 June 2025 were issued.
8. The case was listed for final hearing on 11 September 2025. The hearing took place. Present were The Applicant's Representatives and for the Respondent three persons principally Mr Harper-Brown and Mr O'Connor. The Tribunal during the hearing sought to identify the themes of the Applicant's case. The Tribunal identified that the Applicants had not challenged any specific items.
9. At the hearing nine specific elements were identified. Seven were heads of expenditure and two were more broadly about charges as against expenditure and reserve funds. The identification of these only occurred at the hearing of the 11 September 2025, and as such the Tribunal and the Respondent had not had time to consider or respond to these items.
10. The Tribunal adjourned having reached no specific conclusions. Directions were issued 11 September 2025 on how the case should proceed. Specifically, that the Applicant shall provide the Tribunal and the Respondent electronically an amended bundle by 5 November 2025.
11. Directions were issued for the Applicants by 19 September 2025 to request any specific invoices they wish to from the Respondent. The Respondent to provide such by 26 September 2025. The Applicant shall provide to the Respondent an amended/addendum statement of case in respect of the 9 items identified in the hearing by the 10 October 2025.
12. The hearing was set down for the 20 November 2025.

The Hearing

13. To support the Application a Bundle of 399 pages was provided by the Applicant.
14. The Bundle contained the Applicant's statement, and addendum of case and the Respondent's statement of case and response to the addendum.
15. Present at the hearing was the Applicants and Applicant's representative Sarah-Jane Nii-Adjei. For the Respondent; Richard Harbard and Steven O Connor.

Nature of the development and block

16. The Tribunal first sought to establish the nature of the development and specific block in question. Newacre House was originally a commercial

building that underwent partial conversion to create residential apartments as part of a wider mixed-use regeneration. The Respondent note “construction commenced in 2020/2021 with block D going live on 9 June 2022 and Block E 25 October 2022. The development comprised a selection of blocks either converted from existing commercial premises or new built. The blocks became available for occupation during 2022, and sales continued until the blocks were all sold during 2023/24. There are three commercial blocks known as B,F, and G. There are two blocks known as D and E which are the subject of the challenges. Block D and E are predominately residential however these is a commercial unit on the top floor.

Nature of the Service Charge accounting process

17. The development was completed mid-way through the 2022 year. As such the demands for 2022 relate to only part of the year. The first full year service charge demands were in 2023.
18. The Tribunal heard the service charge year commenced on the 1 January and ran to 31 December. That when up and running the procedure would entail in September/October of any given year, the estimating of costs for the following year. This would then form the budget service charge demand for the year of 1 January. At the end of the service charge year, that is the end of December, the actual costs would be calculated and if the service charge was in surplus this was returned to individual leaseholders' service charge accounts in May of the following year. If the account was in deficit, then a demand for additional funds would be made at the same time.
19. In terms of the reserve fund, the Tribunal heard from the Respondent that in the first two years the reserve fund contributions were estimated as 10% in addition to the service charge amounts. During 2024 however, the Respondent appointed a specialist consultant to create a life cycle costing plan for the building. This took the various elements of the building, identified the nature and their expected life expectancy, and produced an annual cost to form the annual contribution for the reserve fund. The reserve fund contributions for the year 2025 are based on these costings.
20. The Respondent noted the distinction between the residential and the commercial areas of the development. The commercial properties were on leases and the responsibility for the various item such as repairs were treated differently than that for residential. The commercial tenants' responsibilities were found in their leases. In general terms the commercial tenant may have responsibility for repairs to be carried out but the provisions and cost recovery of these works will be different from that of the residential leaseholder.

The lease

21. The development comprises residential and commercial users. There are estate grounds and a multistorey carpark that is shared between the commercial and non-commercial users.
22. The parties agree that the sample lease contained in the bundle was essentially the same in terms of provisions as the leases of the other leaseholders.
23. The key lease provisions are as follows;

1 (a) In this Deed the following expressions have the following respective meanings:

“Building” the building forming part of the Estate within which the Apartment is located

“Building Service Charge” the obligation of the Tenant to pay the Building Service Proportion of the Building Service Charge Items”

“Building Service Charge item” an item of expenditure which is reasonably and properly incurred by the Landlord in providing the Services (or any of them) which is for the benefit of the lessees of the Building (both residential and commercial).

“Building Service Charge Proportion” such fair and reasonable proportion as the Landlord acting reasonably shall from time to time determine.

“Commencement date” 1st January 2022

The Sixth Schedule sets out the Landlords Covenants.

There is also under Part 1 paragraph 11 the ability to;

“ To create and maintain a capital reserve fund to cover anticipated costs to be incurred by the Landlord in the provision of the Services as the Landlord may reasonably require.”

24. The Tribunal was directed to the Bundle [52] which shows the various service charge schedules.

Schedule		Allocation
SCH101	Estate Residential – communal grounds,	Floor area basis

	lighting, security, accountancy, management fees	
SCH 102	Estate Commercial-communal grounds, lighting, security, accountancy, management fees	Floor area share
SCH103	Building Structure - residential	Floor area
SCH 104 (D&E)	Building Structure – Commercial	Floor area
SCH 105	Internal Residential Blocks D&E o cleaning, lifts, fire safety, management fee, M&E	
SCH 106	Commercial only	
SCH 107	Commercial only	
SCH 109	Parking residential	By number of spaces 109
SCH 110	Parking Commercial	By number of spaces 110
SCH 112	Residents' Gym and Business Centre	100% residential

The Issues

25. By Directions of 11 September 2025, the Applicants were asked to create an Addendum to the Statement of Case. This is contained in the bundle at [41].
26. Quoting from the revised bundle at [41]. The Applicant notes that their position “is not adversarial but principled: leaseholders are entitled to transparency. Proportionality, and accountability in how their contributions are calculated and spent. This submission is made in that spirit, and with respect for the Tribunal role in ensuring that service charges are reasonably incurred under Section 19 if the Landlord and Tenant Act 1985. “
27. The Tribunal has considered the nine areas listed below in turn. In general terms each issue has been considered from the position of payability and reasonableness.

Item 1: Electricity Budget and Billing Irregularities

Item 2: Building Insurance

Item 3: Lift Maintenance and Repairs

Item 4: Management Fee

Item 5: Reserve Fund Allocation

Item 6: Over-Collection and Commercial Disparity in Service Charge Allocation

Item 7: Surplus Credit and Limited Reconciliation

Item 8: Omission of landscape Gardening Costs

Item 9: Service Charge Increase Doubling without Consultation.

Item 1- Electricity Budget and Billing Irregularities

28. The Applicant's request of the Tribunal [42] was stated as;

1. Determines that the electricity utility budget for 2023 was unreasonable

2. Orders a recalculation of service charges based on actual expenditure or a reasonable estimate. “

29. The Respondent's Reply to the leaseholder's addendum sets out the background. By way of background the 2023 electricity budget was prepared in late 2022 during the height of the UK energy crisis. When it came to the actual amount incurred prices had fallen back so the actual was less than the budgeted. This was explored more fully by the Tribunal.

30. The Tribunal accepts that the Respondent's preparation of the 2023 Service Charge Budget would have taken place in late 2022 at a time of the energy crisis and volatile pricing.

31. The Respondent notes at the time of the 2023 Budget Service Charge preparation, the energy market was very volatile. Prices for electricity prior to the energy crisis were around 10-15 p per KWH. In the Spring of 2022, the market was offering between 12 and 36 p per kwh. The electricity which is being consumed is being consumed for the common parts of the residential building for example lights, and the lift. This electricity is classed not as residential but as commercial. The Ukraine war produced considerable uncertainty in the availability of resources which then consequentially impacted on the price of electricity. At October when the Respondent needed to place their next contract for electricity the price was between 69p and 100p per kwh for a one-year contract. If the Respondent did not enter a fixed contract, then their provider would allocate an “out of contract” price which at that point was

around 90p. So, the Respondent accepted the offer of 69p for a 12-month period. The Respondent stated that fundamentally the calculation for the 2023 budget had to be carried out based on the prevailing prices, which caused a huge increase in the landlord's electricity estimated cost in every schedule. In the absence of any specific evidence, the Tribunal accepts this position.

- 32. The Respondent noted at this time the government was discussing the intention to intervene in the domestic and commercial energy markets but at the point of fixing the contract no certainty had been provided for the intended intervention.
- 33. The Respondent states that following the Governments EBRS rebate scheme implemented during the 2023 financial year the actual costs proved lower.
- 34. The Applicant at [42] notes the following costings for electricity

Year	Budgeted Utility Cost	Actual Utility Spend	Variance
2023	£95,243	£20,282	£74961
2022	£5042	£17,991	

- 35. The Respondent first noted that the development was only operational for the second part of the service charge year 2022, so the figure shown for 2022 is for only part year. That the rate used to calculate the 2022 budgeted figure was drawn from the market prior to the subsequent energy crisis with associated price increases. The actual figure incurred was a result of both a part year and also the increased pricing used by the energy crisis. The Tribunal accepts the Respondent's explanation of events.
- 36. The Respondent further notes that the surplus between budgeted and actual was reimbursed in the following service charge period. This is shown [181] where two credits back are made to the service charge account of number 1, the first 17 June 2024 balancing service charge 07/07/23-31/12/23 of £378.45 per flat and a subsequent charge of £899.71 per flat for 1-1-24 to 31-12-24.
- 37. So, the market price was still high at the point of estimating for the next year that of 2023 and so this formed part of the budget service charge. The price then subsequently fell and with the Respondent obtaining a subsequently lower price this caused the actual service charge for this item to be lower.

38. The Respondent asserted additionally that the government assistance for residential users did not apply to that of the communal electricity which was classified as commercial cost for the electricity.
39. The Respondent sent a letter [303] to the leaseholders dated 21 November 2022 which noted “ *The ongoing energy crisis is well publicised ; there have been huge spikes in prices, as and when supply contracts fall due at renewal there are inevitably substantial increases in costs which we have had to allow for. Following the government’s announcement of their Energy Bill Relief Scheme, we are yet to receive the supply invoices for October with the actual discounts applied for the landlord’s supplies. However, we are committed to reviewing this in the new year to determine what savings have been achieved for the first quarter January – March 2023 and what consequent adjustments can be implemented.*”
40. The Applicant representative drew the attention of the Tribunal to an email they had sent to the Completions team at Galliard Homes [316] In the email dated 14 April 2023 the Applicant expressed concern over the size of the service charge and that at £3000 it was double the amount stated in the lease agreement.
41. The Tribunal accepts in respect of electricity prices, that the market was volatile and the price high at the point of estimating for the next financial year. The Tribunal accepts that it would be reasonable to take into account the actual market price at the point of estimating, for the electricity budget service charge for electricity used for the preceding year. Indeed, there is little practical alternative to this approach, and no alternative approach was put forward by the Applicant to the Tribunal.
42. The Tribunal has received a detailed explanation on the Respondent’s assessments regarding the levels of the price of electricity during this time and finds the Respondent had acted reasonably. The Applicant has not presented any information that the figures were in fact unreasonably high.
43. The Tribunal also notes that the subsequent reduction of the price allowed the subsequent contract to be secured at a lower-than-expected rate. This produced an actual cost at the end of 2023, lower than that budgeted.
44. **The Tribunal finds that given the volatile market and in the absence of alternative costings, the approach adopted in securing electricity for the communal parts to be reasonable. The Tribunal therefore determines the following budget service charges to be reasonable:**

2022 Budget £5042 with the 2022 Actual £17,991.

2023 Budget £ 95,243 with the 2023 Actual £ 20,282

Issue 2 – Building Insurance

45. The Applicant at [43] requested of the Tribunal
- (1) *“Determine that the insurance-related service charges for 2023 were unreasonably incurred and inaccurately recorded*
 - (2) *Consider requesting the Respondent to procure future building insurance through a single, reputable provider. A consolidated policy would reduce administrative complexity, eliminate overlapping premiums, and ensure transparent, block specific accounting ultimately protecting leaseholders and restoring compliance.”*
46. The Tribunal asked the Respondent to explain the process in gaining insurance for the residential and commercial properties, how it was apportioned between the residential and commercial elements and finally how it was apportioned as a charge for each residential flat.
47. The Respondent’s initial explanation on how insurance was apportioned was not clear to the Tribunal or the other party. The Tribunal adjourned and requested that the adjournment period be used to gain clarification from the Respondent on how the insurance was obtained and allocated.
48. The Respondent explained that the whole development, that is all the blocks: D, E which comprise mainly residential, B, F, and G which are commercial, and the multi storey block are insured by one insurer. The placing of the insurance for the whole development with one insurer prevented any duplication or gaps in the insurance cover.
49. The insurance year does not coincide with the service charge year but comes at around a mid-point in the service charge year. So, any service attributed to the insurance would be part of the cost of one year and part of the cost of the subsequent year.
50. The total premium, for the insurance year 2024/25 was £73,298. The Respondent explained how the insurance premium is apportioned between the residential and commercial elements. The first stage in the adjustment process is to remove the premium attributable to the commercial car spaces from the total premium. The Respondent stated that there were 145 residential spaces and 197 commercial spaces. For insurance year 2024/2025 the amount deducted for the commercial spaces was £10260.
51. The net premium for residential and commercial space after the deduction of premium allocated to car spaces was £63038. This figure encompassed the residential and commercial floor space. The £63048 was then proportioned in line with the relative sizes of the residential

floor space in the development 47151 sq feet and the commercial floor space which is 115,825 sq feet.

52. The Respondent stated that this resulted in an insurance liability for the residential proportion of around £15,000. The Respondent noted also that the initial insurance year 2022 was a partial year for the purposes of the service charge.

53. The Applicant contended that the apportionment was not transparent, however there was no alternative method of apportionment proposed nor was there any alternative insurance premium identified.

54. The lease provides in the definition section at 1 that;

Building Service Charge Proportion” such fair and reasonable proportion as the Landlord acting reasonably shall from time to time determine.

55. The Tribunal was troubled that it took so long for a coherent explanation to be forthcoming from the Respondent. It is difficult to see how the Applicant could have been expected to understand the apportionment prior to the explanation provided in the Tribunal. The Tribunal however finds the approach has logic and satisfies the service charge provision of “*such fair and reasonable apportionment as the Landlord acting reasonably shall from time to time determine.*”

56. In the absence of alternative costings or approach the Tribunal finds that the apportionment method, adopted by the Respondent is rational, reasonable and the premium in the absence of alternative quotations is reasonable. The amounts within the service charge for the insurance element remain payable as demanded. The figures are for the insurance year 2022 £7746 and for the insurance year 2023 £15075.

57. In terms of the Applicant’s other request to the Tribunal “Consider requesting the Respondent to procure future building insurance through a single, reputable provider. A consolidated policy would reduce administrative complexity, eliminate overlapping premiums, and ensure transparent, block specific accounting ultimately protecting leaseholders and restoring compliance.”

58. The Tribunal has no jurisdiction to make this order, however the Tribunal notes that the Respondent states that one insurer is used currently.

Issue 3- Lift Maintenance and Repairs

59. The Applicant requested the Tribunal;

(1) The Respondent must provide a clear reconciliation of lift related invoices against the £3486 actual spend recorded in the accounts.

(2) Only block specific lift servicing costs should be charged to Block D leaseholders

(3) Any ambiguous or unallocated invoices should be removed in full.

60. The Applicant did not provide any evidence to contest the three points contained in paragraph 58. The Respondent in [54] reiterated that the actual sum incurred of £3486 for the service charge year 2023 actual was supported by invoices. However, the Applicant, sought to contend that the lift contract was firstly an annual contract and secondly as such should have been subject to section 20 consultation process.

61. The Applicant contended that there was an annual contract relying on a letter dated 4 November 2025 [399]. The letter from the Lift consultant appointed for the Respondent to find an appropriate lift maintenance contract states, “*The contract term is annual and reviewed prior to the anniversary for performance and value*”. The Applicant asserted that such an annual contract, was a “qualifying long term agreement” requiring a Landlord and Tenant Act 1985 Section 20 consultation procedure to be undertaken before the contract can be entered into. The absence of such a section 20 procedure the Applicant contended meant that the Respondent could not recover their costs.

62. Upon questioning by the Tribunal, the Respondent asserted that whilst there was a contract with a lift maintenance contractor in place, the contract was for a period of one year less one day and so did not fall under the section 20 consultation procedure. Further the Lift consultant who wrote the letter did not have a detailed knowledge of the specific contract entered into.

63. The Applicant further contended that within the Property Management Agreement, between Galliard East Grinstead Limited and Galliard Estate Management Limited at 6.3 it states;

6.3 Compliance with Requirements the manager shall comply with

6.3.1 the requirements and all applicable codes of practice or rules of professional conduct including the guidelines and the Code of Conduct issued by the Royal Institution of Chartered Surveyors.

6.3.2 the principles of good estate management

6.3.3 the written safety and security standards and site procedures for the Property which will be provided to the Manager from time to time.

64. The Respondent noted that the choice of lift maintenance contractor had been as a result of a recommendation by an Independent Lift Consultant as demonstrated in the letter from Technical Lift Consultancy Ltd. [399] and contended this met the management agreement.
65. The Tribunal finds that on balance the evidence of the Respondent, that the lift contract is below one year is preferred because the Respondent set the contract and was specifically asked by the Tribunal on this point. The Applicant could understandably take the view from the letter that the contract was annual but the person who wrote the letter was not party to the contract nor had the Applicant had an opportunity to see the contract.
- 66. The Tribunal therefore finds that no section 20 procedure was needed and that in the absence of any evidence to the contrary that the amount charged is unreasonable then the amount in respect of the lift remains payable in full.**

Issue 4- Management fee

67. The Applicant contended that the 2023 management fee of £34,484 both in the actual and budgeted service charge was twice that of the 2022 service charge fee, budgeted £18758 and actual £17244.
68. The Respondent explained that there may have been misunderstanding of the term “fixed”. Whilst, the Respondent explained, fixed meant fixed for the year, not dependant on volumes of work or differing projects, the term “fixed” did not mean fixed permanently. The charge for 2022 was for only part of the year around half and so the charge applicable appeared lower than 2023. In 2023 a full-service charge year the sum charged for the management fee to manage 109 flats, across Blocks D and E was £34,484. Amounting to around £316.36 per flat per year. This the Respondent explained covered day to day activities such as addressing queries and issuing service charge demands.
69. The Applicant queried why they were being asked to pay for items in addition such as ,the out of hours emergency service line. The Respondent explained that the out of hours emergency service line was a separate contract and so accrued a separate cost, these services not being provided under the management fee.
- 70. The Tribunal accepts the Respondent’s explanation, it is logical that the 2022 fee would be lower because it is for part of the year, and in the absence of challenge on the specific**

amount and the Tribunal using its expert knowledge considers the management fee element reasonable and payable in full.

71. **The amounts determined for the 2023 budget service charge is shown below:**

Year	Budgeted	Actual
2023	£34,484	£34,484
2022	£18,758	£17,244

Item 5 Reserve Fund allocation

72. The Applicant contended there was a lack of clarity around the reserve fund balances and the activities reported in the 2023 Statement of Accounts specifically the lack of clarity around how these funds are apportioned across the blocks and how they relate to leaseholder contributions.
73. The Respondent explained that in 2022, from the date when the development was first opened the service charge year was for only half a year, and in 2023 and 2024, the service charge allocation to the reserve fund was set as an additional 10% of the service charge. In 2024 a specialist consultant was brought into create a full life cycle costing of the various elements of the development. This formed the basis of the calculation for amount of reserve fund contribution. The Respondent added that in the case of the commercial premises their lease terms were different from those of the residential and in the case of the commercial occupiers many of the items were the responsibility of the commercial leaseholders to replace directly.
74. **The Tribunal accepts the explanation of the Respondent when setting the reserve funds. It relies on the report of an independent consultant who created a life cycle costing. The Applicant has not made any specific challenge to the amounts demanded in respect of the reserve fund in the service charge. In the absence of any alternative challenges on costs and reserves, the Tribunal accepts these as reasonable and payable in full. No specific figures were put to the Tribunal.**

Item 6 -Over-Collection and Commercial Disparity in Service Charge Allocation

75. The Applicant contends there is “failure to reconcile to actual spend and disproportionate charging between blocks”.

76. The Respondent has explained the budget setting process and how it is reconciled with the actual spend. See paragraphs 18 to 21 above.
77. **In the absence of any specific challenges to the amounts or alternative costings or apportionment methods put forward by the Applicant, the Tribunal does not make any determinations on this point.**

Item 7 Surplus Credit and limited reconciliation

78. The Applicant contends at [48] the failure to demonstrate full and fair application of £85,409 residential surplus. Specifically;
- *Require the Respondent to credit the full £85,409 surplus to all residential leaseholders, in accordance with the lease.*
 - *Requires a full reconciliation, showing how the surplus has been applied to individual accounts*
 - *Reduces any over-demanded sums from the 2023 service charge, ensuring that leaseholders are not charged beyond actual expenditure.*
79. The Respondent states that [55] a surplus of £85,409 has been credited to all leaseholders' accounts. The bundle contains copies of service charge accounts for the Applicant leaseholders. At [187] there is an example service charge 1 The Meadows which shows balancing service charges have been made.
80. **In respect of the first two points in paragraph 81, the Tribunal has heard the explanation of the budget setting and reconciliation process of the service charge year in paragraphs 18 to 21. In the absence of any specific challenges to the amounts or alternative costings or apportionment methods put forward by the Applicant, the Tribunal does not make any determinations on this point.**
81. **In respect of the third point in paragraph 81, the budget setting process will always take place with estimates and the actual amount spent will only be known at the end of the service charge year. The lease provides for this arrangement, and it is not either practical or in the Tribunal's jurisdiction to order differently.**

Item 8 – Omission of Landscaping and gardening costs

82. The Applicant contended [49] in their Addendum to Statement of Case, that in 2022 landscape gardening was itemised as £4226. In 2023 the Applicant states the item was omitted from the Statement of Accounts., despite ongoing maintenance needs and invoices totalling £20053.28.

83. The Applicant specifically requests;
- *Require the Respondent to conform where the 2023 gardening costs are recorded in the accounts*
 - *Require a breakdown of any bundled expenditure categories, including “general repairs and maintenance”, to confirm whether £20,053.28 in gardening costs were included*
 - *Determine whether the omission of a separate gardening line item constitutes a failure of transparency, and whether any charges should be disallowed or adjusted accordingly*
 - *Consider whether the current procurement and apportionment practices for gardening services are reasonable, cost effective and compliant with lease obligations.*
84. The Respondent identified this was a typographical error within the accounts.
85. The lease in the Sixth Schedule provides for the Landlord to carry out gardening services.
86. The Tribunal finds that the lease provides for estate services which includes gardening.
87. The Tribunal accepts the Respondent’s explanation of a typographical error omitting the £20,053.28.
88. The Tribunal has heard no evidence that the services for gardening were not properly procured nor that the costs of the services were unreasonable.
- 89. In the absence of specific costings to the contrary, that challenged the size of the amount incurred for gardening the service charge demands in respect of the service charge in respect of estate services is payable in full.**

Item 9 Service charge doubling without consultation.

90. The Applicant contends that the service charge doubled in a single year from £1500 to £3000.
91. The Respondent noted the lease provided for a provision that gave the first service charge as £1500.
92. The Tribunal notes, the lease provides details of what the landlord is required to do and what the landlord can recover by way of a service charge.

93. There is no provision in the lease which caps the service charge nor any provisions that require consultation to place beyond that of the Landlord and Tenant Act 1985 section 20 procedures.
94. The Tribunal finds that there are no provisions in the lease which require consultation which would impact on the nominal level of service charge. The Tribunal accepts the explanations of the Respondent that various elements of the service charge have risen and combined with the first year being a part year when compared to the first full year the result was an increase in service charge between the years. The Tribunal only has jurisdiction to consider the payability, that is whether a specific element of the service charge is allowed under the lease and the reasonableness of the quantity of the service charge demanded. The Tribunal has considered these in the early points.

Application under Landlord and Tenant 1985 section 20C and Commonhold and Leasehold Reform Act 2002 para 5A

95. Applicant requests the Tribunal makes an Order under the Landlord and Tenant Act 1985 section 20C and Commonhold and Leasehold Reform Act 2002 paragraph 5a. The effect of such an order is to prevent the Respondent levying the cost of the proceedings as a service charge and administration charges.
96. The Tribunal notes, the Applicant has not been successful on their challenges.
97. The Tribunal declines to make an order.

[] 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).