



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

Case Reference : **MAN/ooBY/LSC/2024/0201**

Property : **Fox Street Village, 30 Fox Street, Liverpool L3 3BQ**

Applicant : **The 54 parties listed in Annexes A, B and C to the directions dated 13 March 2025**

Respondent : **SGL 1 Limited**

Representative : **Xenia Estates Services Limited**

Type of Application : **Landlord and Tenant Act 1985-s27A
Commonhold and Leasehold Reform Act 2002- Sch11 para5A
Landlord and Tenant Act 1985- s 20C**

Tribunal Members : **Judge R Anderson
Mr H Lewis; FRICS**

Date of Hearing: **17 October 2025**

Date of Decision : **26 January 2026**

DECISION

Decision:

1. The Tribunal determines that certain items within the Respondent's estate service charge budgets for 2023 and 2024 are not payable or are payable only in reduced amounts, as detailed below. Accordingly, the total amounts recoverable in respect of the 2023 service charge is £16055.19 and in respect of the 2024 service charge is £19,419.82.

2. The Tribunal makes an order under section 20C of the Landlord and Tenant Act 1985 restraining the Respondent from recovering the costs of these proceedings through the service charge.

Procedural Background

3. This is the Tribunal's judgment following a hearing listed at Liverpool Employment Tribunal on 17 October 2025, preceded by a site inspection. The Applicants comprise 54 lessees of flats within Blocks A, B C and E at Fox Street Village. The Respondent is the freeholder SGL 1 Limited, represented by Xenia Estates Services Limited.
4. At the hearing the following people appeared on behalf the Applicants:

Mr R Fenton on behalf of Mr M Steiner;
Mr S Hodson, an original applicant also appearing on behalf of Mr D Horspool
Mr A Coleman, one the original applicants
Mrs V Ha, Mr R Fenton's wife

This decision collectively refers to submissions and evidence from the above as from the Applicants.

5. Mr C Jones and Miss F McWilliam who are employees of the Respondent's Representative, Xenia Estates Services Limited, who are also the management company in respect of the Property. This decision collectively refers to submissions and evidence from the above as from the Respondents.
6. The Directions dated 13 March 2025 recorded the parties and issues and required disclosure of service charge budgets, demands and accounts for 2023 & 2024. The Respondent's estate budgets show a total of £85,212 for 2023 and £80,458 for 2024, with apportionment matrices across 233 units.
7. Despite directions requiring the Respondents to produce the service charge accounts for 2023 and 2024 these were not produced until the outset of the hearing when the Respondents produced summaries of the actual service charge spend for both years (set out against the budgets) along with some additional evidence of the amounts spent. With the agreement of the Applicants the Tribunal allowed the documents to be considered at the hearing.
8. The two documents can be summarized in the table below:

Item	2023		2024	
	Budget	Actual	Budget	Actual
External General Maintenance	£1500.00	£0.00	£1500.00	£0.00
Grounds Maintenance	£3000.00	£960.00	£0.00	£2761.00
Improvements to Estate Entrance	£5352.00	£0.00	£4500.00	£0.00
Electrical Maintenance	£500.00	£0.00	£500.00	£0.00
Drain and Gully Clearance	£500.00	£0.00	£500.00	£0.00
Pest Control	£2000.00	£556.63	£1000.00	£576.00
Waste Management	£3000.00	£4572.93	£3000.00	£17522.00
CCTV Maintenance	£1500.00	£0.00		
Communal Electricity	£6000.00	£3000.00	£6000.00	£6000.00
Landlords Water Supply	£1000.00	£0.00	£1000.00	£0.00
Fire Risk Assessment	£650.00	£0.00	£650.00	£0.00
Third Party Liability Insurance	£3000.00	£65.63	£3000.00	£1570.69
Management Fees	£16,310.00	£8155.00	£17,729.00	£17374.25
Onboarding Fee	£2000.00	£0.00		
Company Secretarial Fees	£500.00	£450.00	£0.00	£395.00
Service Charge Accounts	£400.00	£0.00	£544.00	£544.00
Accountancy Fees	£0.00	£450.00	£453.00	£0.00
Out of hours	£3000.00	£1500.00	£1500.00	£3250.00
Professional Fees	£0.00	£6989.97	£0.00	£20,740.48
Renew Sinking Fund	£5,000.00	£0.00	£5000.00	£5000.00
Improvement Fund	£30,000.00	£0.00	£30,000.00	£30,000.00
Window Cleaning			£3600.00	£0.00
Total	£85,212.00	£27,00.16	£80,458.00	£105,734.11

9. The Respondent's position at the outset of the hearing was that the tribunal should allow the amounts that appear in the two columns marked Actual, being £27,00.16 for the 2023 service charge (although the Respondent's had miscalculated the total figure and their document stated it was £27,192.16) and £105,734.11 for 2024 service charge.
10. The Applicants helpfully observed that they considered that the total claimed for 2023 represented a reasonable sum had the Landlord provided the services claimed but it was their position that many of those services had not been provided.

The Relevant law

11. Section 27A of the Landlord and Tenant Act 1985 empowers the Tribunal to determine whether a service charge is payable and, if so, by whom, to whom, the amount, the dates and the manner of payment. The Tribunal also determines the reasonableness and payability of administration charges under Schedule 11 to the Commonhold and Leasehold Reform Act 2002, and may make an order under

section 20C LTA 1985 preventing the landlord from recovering costs of proceedings through the service charge.

Determination

12. It is self-evident where the Respondent has accepted that no cost was incurred in respect of an item, then the Tribunal will not allow any recovery in respect of that item, with one exception set out below.

The 2023 Service Charge

13. In respect of the 2023 claim the key issues challenged by the Applicants were the electricity, professional fees and the management fees.

14. The Applicants expressed some concern about the quality of some of the other services claimed namely ground maintenance, pest control, waste management and the out of hours service but the Respondents had provided evidence of payments for those services, and the Tribunal was satisfied that they had been provided and were reasonable.

15. In respect of the electricity, the Applicant's position was there was no separate electrical supply to the common parts to justify the claim. The respondent was unable to produce any evidence of either the supply or an invoice or payment for the supply. Accordingly, the Tribunal did not allow this item.

16. In respect of professional fees, the Respondents were unable to provide a satisfactory explanation as to how and why these fees were incurred and on that basis the Tribunal was not prepared to allow any recovery in respect of that item.

17. In respect of the management fees, the Applicant's position was that this item should be disallowed entirely to reflect the poor standard of management provided by the Respondent. The Respondent stood by their fee on the basis that the services had been provided, however, they were not able to assist the Tribunal with how the fee had been calculated. The Tribunal determined that some management service had been provided but found that the standard of the site was poor and that the actual services provided could not justify a management fee which amounted to over a third of the total service charge claimed after the discount for electricity.

18. Taking the services actually provided into account and the Tribunal experience of what a reasonable fee would be by reference to both the services provided and the level of the service charge allowed, the Tribunal determined the correct amount to allow for the management fee was £2500.00.

19. The Tribunal also raised and it was accepted by all parties that there was no good reason why there should not be a sinking fund accrual in 2023 service charge and

therefore the £5000 sinking fund contribution should be added back into the allowable service charge for 2023.

20. For the avoidance of doubt the Tribunal allowed the following amounts for the 2023 service charge:

Item	Amount allowed
Grounds Maintenance	£960.00
Pest Control	£556.63
Waste Management	£4572.93
Third Party Liability Insurance	£65.63
Management Fees	£2500.00
Company Secretarial Fees	£450.00
Accountancy Fees	£450.00
Out of hours	£1500.00
Renew Sinking Fund	£5000.00
Total	£16055.19

The 2024 Service Charge

21. The key items challenged by the Applicants were electricity, professional fees, estate management fees, waste management, out of hours service and the improvement fund.

22. Again, the Applicants did raise some issues in respect of the other services provided namely ground maintenance and pest control, however, again the Tribunal was satisfied there was evidence of these items.

23. In respect of electricity and professional fees, the same issues arose as in the 2023 claim and for the same reasons, the Tribunal did not allow any recovery in respect of either of these items.

24. In respect of the improvement fund, the Respondent quite rightly conceded that this was not an item which was recoverable under the service charge and accordingly, the Tribunal disallowed this item.

25. In respect of the waste management, there was cogent evidence from the Applicants that the increase in fees for the waste management was as a result of the Landlord's management company failing to properly manage the bins on site which led to having to change the provider. The Respondents provided some evidence of attempts to address this issue but these appeared to be limited to sending one or two circulars to the residents. The Tribunal accepted the evidence of the Applicant's that there had been significant increase due to mismanagement and considered that the appropriate amount to allow was the same amount as was allowed in 2023.

26. In respect of the out of hours service, again there was evidence from the Applicants that there had been no discernable increase in the service provided and indeed there was anecdotal evidence that the out of hours service was not always available. In those circumstances the Tribunal considered the correct amount to allow would by reference to the 2023 figure, but allowing a modest increase and accordingly Tribunal determined the appropriate amount to allow was £1750.

27. In respect of management fees, again the Tribunal found that there had been some services provided but that the amount claimed was entirely disproportionate to both the services provided and the service charge as a whole. Apply the same reasoning outlined above, the Tribunal found that the appropriate sum to allow was £2500.

28. For the avoidance of doubt the Tribunal allowed the following amounts for the 2024 service charge:

Item	Amount Allowed
Grounds Maintenance	£2761.00
Pest Control	£576.00
Waste Management	£4572.93
Third Party Liability Insurance	£1570.69
Management Fees	£2500.00
Company Secretarial Fees	£395.00
Service Charge Accounts	£544.00
Out of hours	£1750.00
Renew Sinking Fund	£5000.00
Total	£19,419.82

S2oC Landlord and Tenant Act declaration

29. In the circumstances, where the Respondent failed to provide the necessary documents until the day of the hearing and that the Applicants achieved a significant deduction in respect of both years service charges even against the Respondent's revised position the Tribunal were satisfied it was appropriate to make the s20c declaration that the Respondent be barred from recovering any of the fees of these proceedings via the service charge.

Judge Anderson
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 should be made on Form RP PTA available at:

<https://www.gov.uk/government/publications/form-rp-pta-application-for-permission-to-appeal-a-decision-to-the-upper-tribunal-lands-chamber>

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).