FIRST-TIER TRIBUNAL
PROPERTY CHAMBER (RESIDENTIAL PROPERTY)

Case reference	**:**	**CAM/26UK/LSC/2025/0615**
Property	**:**	**Hackworth Court** **7 Bedford Street** **Watford WD24 5FX**
Applicants	**:**	**(1) Navdeep Sachdeva (flat 5)** **(2) Miss Jastremska (flat 4)** **(3) Mr Gregory Edmonds & Mr Ethan Hearn (flat 6)** **Mr Elijah Gyebi (flat 3)**
Representative	**:**	**Mr Navdeep Sachdeva**
Respondent	**:**	**Legal & General Affordable Homes Limited**
Representative	**:**	**Tom Morris of Counsel**
Date of Application	**:**	**November 2024**
Type of application	**:**	**Application for a determination of liability to pay and reasonableness of service charges, pursuant to S27A Landlord and Tenant Act 1985**
The Tribunal	**:**	**Tribunal Judge S Evans** **Gerard Smith FRICS FAAV**
Date/ place of hearing	**:**	**23 and 24 October 2024** **By remote video**
Date of decision	**:**	**6 January 2026**

DECISION

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(1) The Tribunal determines that it does not have jurisdiction to consider the payability and reasonableness of estate charges (called "superior landlord charge" by the Applicants);

(2) The Tribunal determines that the Respondent's costs were reasonably incurred and reasonable in amount save as provided in paragraphs 33, 34, 38, 47, 55, 70, 73, 77-79, 87, 93, and 96-98 below;

(3) The Respondent having conceded that it is unable to pass the costs of these proceedings through the service charges, we make no order on the Applicants' application under s.20C Landlord and Tenant Act 1985/ para 5A Schedule 11 of CLRA 2002;

(4) The Tribunal grants the Applicants' application for reimbursement of their application fee and hearing fee in the sum of £300, payable by the Respondent within 28 days of this decision.

REASONS

Background

1. On 26 May 2020 there was a transfer of plots 138 to 147 St. Albans Rd, otherwise known as Hackworth Court (part of Block B), by Weston Homes PLC to the Respondent.
2. By the transfer agreement, the Respondent covenanted to pay a variable rentcharge, being a proportion of expenses incurred in respect of estate costs.
3. On 25 March 2022 the Respondent granted to the lead applicant a shared ownership lease of plot 145. It is one of 10 flats, and the lead Applicant has to pay a service charge in respect of external works, being a fair and reasonable proportion of the Respondent's relevant costs in respect of the Court.
4. The other Applicants hold a lease of their flats, we are told, on similar terms to the lead Applicant.
5. On 29 January 2025 an agent called Gateway took over management of the Estate in which Hackworth Court is situated.
6. The lead Applicant made complaints about the service charges to the Respondent, which led to the Respondent issuing a Stage 1 response under its complaint procedures on 4 July 2024, and then a Stage 2 response on 2 September 2024, after Mr Sachdeva had escalated the matter.

The Application

7. In November 2024 Mr Sachdeva, dissatisfied with the outcome of his complaints process to the Respondent, issued the instant application for a determination of payability and reasonableness of service charges.

8. On 14 May 2025 the Tribunal gave directions.

9. On 29 May 2025 Mr Sachdeva sent letters confirming authorisation to act signed by other Applicants.

10. On 12 August 2025 the Tribunal issued revised directions, and another extension was granted on 4 September 2025, the same day the Respondent's statement of case was filed.

11. Unusually, the lead Applicant then responded with his statement of case on 29 September 2025.

12. This led to the Tribunal procedural judge giving further directions on 1 October 2025.

Inspection

13. No inspection was deemed necessary, nor did the parties request one.

The hearing

14. The application was heard over 2 days by video. The Tribunal was required to reconvene the following week in order to reach its decision.

15. The hearing was attended by Mr Sachdeva, assisted by Miss Jastremska (flat 4). The leaseholder of flat 6, Mr Edmonds, observed from time to time.

16. Mr Tom Morris appeared for the Respondent, and was accompanied by his instructing solicitor Jane Canham, and witness/instructing officer Mrs Gemma Waller.

17. At the outset of the hearing, the Tribunal dealt with the matter of joinder of parties. By consent, the following were confirmed as joint Applicants in addition to Mr Sachdeva, on the basis no further evidence would be required from them:

    - Miss Jastremska (flat 4)
    - Mr Gregory Edmonds and Mr Ethan Hearn (flat 6)
    - Mr Elijah Gyebi (flat 3).

18. The Tribunal also dealt with late admissibility of evidence, including a third witness statement of Mrs Waller, to which the Applicants did not object.

19. The Tribunal suggested that an issue of jurisdiction over some of the items challenged by the Applicants be dealt with as a preliminary issue, to which the parties agreed.

20. After dealing with that issue, the Tribunal heard representations and evidence, line by line, on the remaining items within both the Scott Schedule and the Applicants' witness statement.

The jurisdictional issue

21. This arises because the Respondent has demanded from the Applicants a proportion of the rentcharges which it is liable to pay Weston Homes Plc, the transferor of Weston Court, pursuant to the transfer agreement dated 22 May 2020.

22. The Respondent contends it can levy these sums by reason of clause 3.3(d) of the Lease. This provides:

> "To pay to the landlord on demand (or at such frequency as the landlord showing his absolute discretion determine) all sums paid by the landlord to the company or the transferor (as the case may be):
>
> (i) In respect of the premises pursuant to the provisions of clause 1 of the section headed "covenants with the company and the transferor" in the Main Transfer and such sums being calculated in accordance with the schedule to the Main Transfer; and
>
> (ii) in respect to the parking space pursuant to the provisions of clause 1 of the section headed "covenants with the company and the transferor" in the block C transfer and such sums being calculated in accordance with the schedule to the block C transfer
>
> and the leaseholder shall indemnify the landlord for the aforesaid sums and this obligation shall be without prejudice to any costs charges and expenses payable by the leaseholder to the landlord pursuant to clause 3.11 in respect of such breach."

23. Clause 3.3(e) then provides:

> "To pay the Service Charge in accordance with clause 7."

24. The Respondent relies on the definition of section 18 of the Landlord and Tenant Act 1985, and contends that the costs payable under the transfer by the Respondent are not within the statutory definition of service charge, since they do not vary according to relevant costs; the sum payable under the transfer varies according to the costs incurred by Weston Homes PLC, but those costs are not relevant costs since they were not incurred by or on behalf of "the landlord" under the lease or any superior landlord -instead by a freeholder outside the chain of leases, who is not in a position of someone who has a right to enforce payment of a "service charge".

25. The Applicants contend that Weston Homes is a superior landlord, and assert: firstly, that the sums demanded under clause 7 of the lease are service charges within the meaning of section 18 above; next, that clause 3.3(d) of the lease refers to reimbursement of sums paid by the landlord under the transfer, including the variable rent charge, but does not itself create a rentcharge -they are payments linked to a third party obligation and calculated by reference to costs incurred by Weston Homes or the management company under the transfer. However, the Applicants contend, the sums are payable by the tenant (i.e. leaseholder), indirectly for services, maintenance, and management of the wider estate, and variable according to actual costs incurred by the company or transferor. Therefore the 1985 Act applies.

26. The Tribunal prefers the Respondent's submissions and finds that the entries on the Scott Schedule headed "Superior landlord charge" are not within the

jurisdiction of the Tribunal. This includes the charge in line 5 of the Scott Schedule in the sum of £1500 (estate cost budget Oct 2022-2023). We agree with the Respondent that Weston Homes PLC is not a superior landlord; that it does not incur "relevant costs", and that the sums payable under clause 3.3(d) to the Respondent by the Applicants are contractually separate to the service charge machinery in the lease, indicating that (so far as relevant) objectively the parties to the lease did not intend sections 18-30 of the 1985 Act to apply to clause 3.3(d).

The Scott Schedule items

2022/2023

Line 2 (relevant cost £570)

27. The Applicants contend that professional carpet cleaning should not have been incurred. Pinnacle failed to organise regular cleaning which could have resulted in this cost being avoided, or there being a lower cost.

28. The Applicants rely on an alternative quotation of £384 including VAT from a firm called Maxi Jaye, dated 10 September 2025. They emphasise that is this 2025 pricing, whereas the £570 challenged was a 2023 costing. Mr Sachdeva confirmed that photographs were sent to Maxi Jaye. He told us that the equipment used would be a specialist Hoover which uses cleaning fluid, with a single operator needed over a period of 4 to 5 hours. He even sent Maxi Jaye the square meterage in the hall on the ground floor, and counted the number of stairs for them - all information which he had sent to Maxi Jaye over the phone. The photographs were sent to Maxi Jaye by WhatsApp. He accepted Maxi Jaye did not inspect the property before giving the quotation.

29. The Respondent contends that the professional carpet cleaning was undertaken as a remedial measure due to the condition of the communal areas. While regular cleaning was scheduled, unforeseen usage levels necessitated a deeper clean sooner than planned. Carpet cleaning is usually carried out annually. The Respondents use a contractor who is well aware of the building. The number of cleaners used could not be given.

30. The Respondent also relies on the line of cases beginning with *Continental Ventures v White* [2006] 1 EGLR 85 running through to *Daejan Properties Ltd v Griffin* [2014] UKUT 206, to contend that even if the Respondent breached its obligations to carry out regular services, so causing a one-off issue, the cost was not unreasonably incurred; and it is incumbent on the leaseholder to raise a claim for damages by way of set-off.

31. The Respondent accepts that in *Radcliffe Property Investments Ltd v Meeson* [2023] UKUT 209 (LC) the UT had held that the "The paradoxical proposition that the reason why cost has been incurred is irrelevant to the reasonableness of incurring that cost may be inappropriate analysis in some cases, but it is not a rule of general application. In considering questions of reasonableness, it is rarely appropriate to begin with an inflexible rule." However, Mr Morris contended the instant case is distinguishable from *Meeson* (which involved a breach of statutory duty and not just covenant) and the general rule should apply here, because the landlord was faced with 2 options: to leave the carpet in a poor state, and not incur the cost of a cleaning, or to incur that cost; the

decision to incur the cost was a reasonable one when considered by reference to that point in time.

32. The Tribunal does not consider this to be a case of the Respondent having failed to execute regular services to a reasonable standard. The Applicants, in so far as they rely on a case of so-called "historic neglect", have not provided sufficient evidence of the same.

33. The Tribunal, however, determines that a reasonable cost is £384 including VAT. The Respondent was unable to give any details of the works executed on 13 January 2023 save for the baldest description in the invoice ("professional carpet clean"). By contrast, the Applicants have a comparable quotation was based on detailed information given to the contractor.

Line 3 (relevant cost £147.44)

34. This item of communal cleaning was conceded by the Respondent in the Scott Schedule. This provides the Applicants the following credits:

(a) Flat 4- 10.36% x £147.44= £15.27
(b) Flat 5- 10.27% x £147.44 =£15.14
(c) Flat 3 – 7.02% x £147.44 = £10.35
(d) Flat 6- 10.29% x £147.44 = £15.17.

Line 5 (water hygiene/ H&S)

35. The superior landlord charge of £1500 has already been struck out for want of jurisdiction (see above).

36. The Applicants do not challenge the sum of £54.10 ("statement year end 2023").

37. This leaves a sum of £1920, part of which is conceded by the Respondent, in so far as there were 2 duplicate invoices of £800+ VAT (£960) raised. See Mrs Waller's third statement at para. 15.

38. This concession gives the Applicants the following credits when VAT is taken into consideration:

(a) Flat 4- 10.36% x £960= £99.45
(b) Flat 5- 10.27% x £960 =£98.59
(c) Flat 3 – 7.02% x £960 = £67.39
(d) Flat 6- 10.29% x £960 = £98.78.

Line 6 (relevant cost £392.12)

39. The Applicants contend:

(1) Pinnacle failed to provide enough bins for the property until mid-May 2022, when most of the residents moved in at the end of March 2022 -

mid April 2022. This has resulted in bins (one recycling and one general only) becoming too full and residents resorted to putting waste sacks on the floor in the bin store;

(2) In addition, there were insufficient numbers of bins and Pinnacle failed to arrange waste collection for approximately 3 months (from the time residents started moving into their properties). This has added to the problem at 1) above and resulted in having a bulk removal being arranged and charged to residents;

(3) Following 1) and 2) Pinnacle continues to include it in the service charge, when it should be treated as an exceptional item, as and when it is incurred.

40. The Respondent called Mrs Waller to confirm the Scott Schedule entry in these terms:

> "The bulk removal was necessary due to the volume of waste that accumulated in the bin store, which was not anticipated prior to residents moving in. At the time of planning, the standard provision of one general waste bin and one recycling bin was considered appropriate based on expected occupancy levels and standard usage patterns.
>
> However, once residents began moving in between late March and mid-April 2022, it became clear that the volume of waste generated exceeded initial expectations. This led to bins becoming full quickly and waste being placed on the floor, which was not in line with the intended waste management setup.
>
> We identified the need for an additional bin shortly after residents moved in, and this was arranged by mid-May 2022. Unfortunately, the delay in bin provision and the initial lack of scheduled waste collections contributed to the accumulation of waste, necessitating a bulk removal to restore hygiene and safety standards in the communal areas.
>
> While this removal was not part of the regular service provision, it was a necessary remedial action. The associated costs were included in the service charge as part of maintaining the property during the early stages of occupancy. We still include bulk waste removal in the service charge budget as we do for each of our managed blocks in case large items are left by residents. However, once residents began moving in between late March and mid-April 2022, it became clear that the volume of waste generated exceeded initial expectations. This led to bins becoming full quickly and waste being placed on the floor, which was not in line with the intended waste management setup."

41. Mrs Waller added that the building planners thought there was an adequate number of bins; and then according to their records there were arrangements in place, but the council refused to remove the bulk refuse. She could not say when the bin stores were opened, and informed the Tribunal that the additional bin was provided in May 2022, but had to be placed outside the bin store until the bulk clearance took place. She was unable to say when the bin

was placed outside the store or when it was ordered. We were directed to page 192 of the bundle for the invoice, but there is little detail on it.

42. Mr Morris considered the delay period to be a maximum of 6-8 weeks.

43. Mr Morris also relied on the line of cases and principles discussed at paragraphs 30 to 31 above, in the event the Tribunal concluded the landlord had not made adequate arrangements for waste disposal in the first place.

44. We determine that the landlord had not made adequate arrangements and planning for waste disposal in the first instance. It was to be expected that there would be additional waste at the time when residents first started moving in. Moreover there was a delay in getting another bin, which could not be used for a number of weeks because of the bulk waste in the store.

45. We determine this was a breach of the covenant in the lease, more particularly clause 5.4 (a), "to keep the Common Parts of the Building adequately cleaned…", since the definition of Common Parts in Schedule 9 includes the Bin Store.

46. Mr Morris did not forcefully contend the Applicants should be prevented from raising a set-off, and we determine to do so would be reasonable in this case in all the circumstances. It is true the landlord could not simply leave the waste there, but there is no inflexible rule of general application that the landlord should be able to recover the cost of doing so in all circumstances.

47. We therefore allow the Applicants to raise a set-off. The cost of £392.12 is disallowed. The Applicants should receive a credit of:

(a) Flat 4- 10.36% x £392.12= £40.62
(b) Flat 5- 10.27% x £392.12=£40.27
(c) Flat 3 – 7.02% x £392.12= £27.52
(d) Flat 6- 10.29% x £392.12= £40.34.

Line 7 (relevant cost £714)

48. The Applicants contend that this item is bound up with the line 6 challenge above, and contend that "when Pinnacle finally arranged for an extra bin (see above, it was a general bin container) to be delivered, it was left on the side of the building (by gas meter cupboard) and not in the bin store. This resulted in people (probably anyone from nearby properties, and not just the external flats of Hackworth Court) dumping large items and waste into that container and it was overflowing with rubbish all around the container too."

49. The Applicants were not challenging the amount, Mr Sachdeva confirmed, but instead were complaining that people from Bedford St (whom he had witnessed and challenged) had started using the bin outside of the bin store in the period before the bin store was cleared for the new bin to be used. He also indicated that he saw rats in the area of the bins at this point in time. He also pointed to a letter in the bundle dated 17 September 2025 wherein a resident whose flat was next to the bins had complained of rats in their property due to the bin shed not being clear.

50. Mr Morris relied on the Scott Schedule entry from the Respondent in these terms:

    "There was insufficient room in the bin store for the additional bin. Once room had been cleared by other rubbish being removed then it was moved into the correct location."

51. He referred to the lack of capacity in the bin store as a "teething problem".

52. Mr Sachdeva responded that Weston Homes were already being paid for this service in the "refuse trolley" sum of £15,000 (Weston service charge statement dated 14 May 2023 for the period 1 Oct 22 to 30 Sep 23).

53. In our determination this was more than a teething problem, and the Applicants are entitled to have this sum disallowed for the same reasons as under Line 6.

54. We do not, however, consider there is enough evidence the charge should be included as part of Weston Homes "refuse trolley charge".

55. The Applicants should therefore receive a credit of:

    (a) Flat 4- 10.36% x £714= £73.97
    (b) Flat 5- 10.27% x £714 =£73.33
    (c) Flat 3 – 7.02% x £714 = £50.12
    (d) Flat 6- 10.29% x £714 = £73.47.

Line 9 (reserve fund)

56. The Applicants contend "it is unclear how it has been calculated. What information forms the basis of the calculation. How are these costs forecasted. Note - The total reserve fund amount for Block D is not available. Accordingly, reference is made to the Flat 5 statement as the basis for figures cited. The overall reserve fund remains subject to dispute."

57. Mr Sachdeva pointed to page 182 showing the balance of £1345.95 in the reserve fund as of 31 March 2023 in respect of his flat.

58. The Respondent's Scott Schedule states:

    "This has been responded to by the service charge manager at L&G:

    "When the customers receive their individual year end service charge reconciliations, they will see a section at the bottom showing the reserve fund information. This details the opening balance, interest earned and contributions in the year. We would not be able to share a bank statement as the funds are all held in one client money account together (for all schemes). The interest is apportioned based on the share of the total fund balance that each property is holding.

    In terms of the contribution calculation, this is at the same percentage as the service charge. For 5 Hackworth Court therefore the calculation is:

£4,536 x 10.27% / 12 months = £38.82
£4,288.11 x 19.09% / 12 months = £68.22
Total Monthly Reserve Fund Contribution = £107.04

The £4,536 is shared across all homes in the apartment block and is for external elements such as future window and roof replacement and the £4,288.11 is shared across apartments that share the internal communal space and is collected for elements such as lift replacement and internal communal redecoration

The estate reserve fund is collected and managed by the managing agent, which is Gateway for this scheme
We calculate the fund based on the likely future replacement costs of specific components, which I have detailed below
However, it is important to note that while we use the components to inform the calculation, it does not limit us to only being able to use the fund for these things. If qualifying works are needed to a different component, we would complete S20 consultation and use funds available."

The £4,536 that all homes contribute to is calculated as follows:
Window replacement £960 per annum
Emergency Lighting £75 per annum
Fire Equipment £250 per annum
Flat Roof £840 per annum
Sprinklers £1250 per annum
Total £3375
VAT £675
Mgmt Fee £486
Total £4536

The £4,288.11 that only internal apartments contribute to is calculated as follows:
Internal Decoration £360 per annum
Lift Replacement £2000 per annum
Door Entry Systems £556.56 per annum
Communal Rewire £140 per annum
Flooring £135 per annum
Total £3190.56
VAT £638.11
Mgmt Fee £459.44
Total £4,288.11"

59. At 2pm on Day 1 Mr Morris called Ms Child to give evidence. She was accepted the reserve fund contribution of £1314.95 shown on page 129 (accounts for year ended 31 March 2023 for flat 5) was incorrect, and the amount should be £1284.44, broken down as follows:

    - £4536 x 10.27% =£465.84;
    - £4288.11 x 19.09% = £818.60.

60. Ms Child accordingly agreed that a credit of £30.50 was owing to Mr Sachdeva (£1314.95-£1284.44).

61. She also confirmed the £5.74 payment on page 129 was an interest credit to the balance and not a charge.

62. She explained the Respondent calculates the sum for the internal services and Gateway the rest.

63. She indicated that the Respondent purchases service charge modelling from a third party consultant in order to anticipate the lifespan and costs of major works projects. By way of illustration, the modelling supports a lifespan of 30 years for the windows in the block, from which a contribution is calculated. The others are lighting and fire equipment (each 20 years), flat roof (25 Years) and sprinkler system (40 years).

64. As for internal works, these are decorations (5 years – 2027), lift replacement (25 years), door entry and rewiring (15 years), and flooring (12 years).

65. Ms Child confirmed the fund would equate to £42,672 approximately (as of latest figures) taking into account all leaseholder and Respondent contributions.

66. Ms Child indicated she was not a VAT expert, but the reserve fund contribution includes a payment towards the VAT which would be payable on contractors' costs for those future works. She also confirmed the reserve fund contribution includes the professional fees on major works at 12%.

67. The Applicants rely on *Caribax Ltd v Hinde House Management Co Ltd* [2015] UKUT 0234 (LC), purportedly as authority for the proposition that (a) landlords must justify reserve funds with reference to actual or anticipated expenditure, and (b) the Tribunal criticised landlords who sought to benefit from vague or unsupported reserve fund demands. However, *Caribax* is not authority for these propositions. It was a case on its own facts, where no evidence was ever put before the Tribunal concerning any 'strategy' that had been expressed, or applied, by the Respondent in respect of the reserve funds it was holding.

68. Instead, we decide this challenge on the basis of the express terms of the leases before us. Clause 7.3 permits "an appropriate amount" as a "reserve for or towards the matters specified in clause 7.4 as is likely to give rise to expenditure after such account year", but "the amount [is] to be calculated in a manner which will ensure as far as reasonably possible that the service provision shall not fluctuate unduly from year to year."

69. In the Tribunal's determination, some contribution to the reserve fund has been reasonably incurred for the years challenged. As to amount, we do not consider a sum for VAT which is not yet payable as a tax (and might never be) to be part of an "appropriate amount" demanded of the Applicants by the Respondents (who do not currently pass this 20% to HMRC). We also do not consider a 12% management fee to be part of an appropriate amount by way of reserve. Such costs are less foreseeable than contractor and materials costs relating to the works themselves.

70. Accordingly, we determine each of the Applicants' charges as follows:

Flat 5
(£4,536 -£675 - £486) = £3375 x 10.27% = £346.61
(£4,288.11 -£638.11 -£459.44) =£3190.56 x 19.09% = £609.07
Total Reserve Fund Contribution = £955.68.

Flat 4

(£4,536 -£675 - £486) = £3375 x 10.36% = £349.65
(£4,288.11 -£638.11 -£459.44) =£3190.56 x 19.24% = £613.86
Total Reserve Fund Contribution = £963.51.

Flat 3

(£4,536 -£675 - £486) = £3375 x 7.02% = £236.92
(£4,288.11 -£638.11 -£459.44) =£3190.56 x 13.04% =£416.05
Total Reserve Fund Contribution = £652.97.

Flat 6

(£4,536 -£675 - £486) = £3375 x 10.29% = £347.28
(£4,288.11 -£638.11 -£459.44) =£3190.56 x 10.29% = £382.30
Total Reserve Fund Contribution = £729.58.

2023/2024

Line 11 (relevant cost £8824.11)

71. The Applicants challenge the reduction of charge for reserve fund to £1284.45 (using flat 5 as an example) despite an overall increase in service charge expenditure. The Respondent explained the sum this was the same amount as levied the previous year, once Ms Child's correction was incorporated (see Line 11 discussions).

72. The Tribunal determines this cost in the same way as under 2022/2023: the sum charged is reasonable save for the imposition of VAT and management fee.

73. The charges we determine are therefore the same as those in paragraph 70 above.

Line 12 (relevant cost £11,957.88)

74. The Applicants contend that the "total of internal and external costs listed in the year-end statement amounts to £11,957.88, whereas the total value of invoices supplied by Legal & General (as recorded in the service charge accounts Excel sheet) is £7,936. While Legal & General have supplied invoices totalling £7,936, the authenticity and reasonableness of these charges remain in question. For example, they claim £195 per month for cleaning services, yet based on direct observation, the cleaner visited the site only once per month, and spent less than two hours vacuuming the communal area on each occasion. To assess the proportionality of this charge, I have submitted photographic evidence of the communal area, taken in June and July 2025, which demonstrates the limited scope and time required for maintenance."

75. The Respondent's Scott Schedule fails to address the shortfall in evidence. It says only this:

    "We understand your concerns and appreciate the photographic evidence you've submitted. However, we note that the images provided relate to June and July 2025 and do not correspond to the period in question. As such, they cannot be used to assess the proportionality or delivery of services for the disputed timeframe."

76. Mr Morris and the Respondent's witnesses were not able to point to invoices in the bundle making up the total sum challenged. Having taken instructions, Mr Morris explained to the Tribunal that whilst the invoices were passed by Mrs Waller to his instructing solicitor, not all the invoices were disclosed to the Applicants before the hearing in the course of proceedings. We were provided during the hearing with what was said to be the relevant documents.

77. We determine that the Respondent should only be able to recharge for the items for which an invoice was supplied to the Applicants before the hearing started. It would have been unfair to the Applicants (and would have delayed the timely conclusion of the hearing) to have admitted further evidence late. The Tribunal is conscious this is a heavy sanction, but the parties were fully aware of the need to comply with the Tribunal directions and the consequences which might follow if they did not.

78. The Applicants have provided a spreadsheet of the invoices which were disclosed on [A209] of the bundle. These total £7936. To this they accept an Allianz invoice for £282.07 needs to be added, making a total of disclosed invoices amounting to £8218.07.

79. To make this sanction proportionate, however, we determine that it should be made subject to the 2023/2024 matters we have been able to determine in paragraphs 81-108 below. In other words, where we have determined a cost for 2023/2024 to have been reasonably incurred within paragraphs 81-108 below, that decision will stand notwithstanding that there might be the absence of an invoice from [A209]. The reason for this relation is that the Applicants have been able to have a full hearing on the matters in paragraphs 81-108 below.

80. We appreciate that the parties will now need to co-operate to work out what credits are owing to the Applicants under this heading in the light of our determination. We hope they will be able to settle that issue without further resort to the Tribunal.

Lifts

81. The Applicants challenge the 2022/2023 cost (for Flat 5- £142.34) and 2023/2024 (£539.18, being £2824.43 x 19.09%).

82. The Applicants rely on alternative quotations, by TKE at £289 per quarterly visit for a basic package, and by Kone at £545.26, seemingly based on the actual lift equipment designation and description for Hackworth Court (covering letter dated 24 September 2025), and basic service.

83. The Respondent contended that the lift charge was spread across the 2 financial years, with a relevant cost, Mr Smith agreed, of £1386, of which

£745.63 should be pro rata'd for 2022, with the remainder under 2023/2024. It was accepted that the figure in the 2024 accounts of £2824 was in error, and should be £2014.04. What that second figure covered was unclear to us. Mrs Waller acknowledged the Applicants' quotation meant there were questions to be asked of Kone about the amount the Respondent is paying it.

84. When asked questions by Mr Morris on the Kone quotation, Mr Sachdeva explained that they had advised him what best suited the block, and that it was for the basic package. He gave them the serial number of the lift, and so they did not need to carry out an inspection.

85. The Tribunal was concerned by the relative failure of the Respondent to be able to justify the figures in the accounts for the 2 years, particularly the dissimilarity between its payments for Kone services and the quotation obtained by the Applicants.

86. We therefore determine that a reasonable relevant cost under this head, for each of the 2 years in dispute, should be the Kone quotation of £545.26 obtained by the Applicants. We accept this like for like quotation (unlike TKE's).

87. The amounts payable by the Applicants are therefore determined for each year to be:

(1) Flat 4- 19.24% x £545.26 = £104.90
(2) Flat 5- 19.09% x £545.26 =£104.09
(3) Flat 3 – 13.04% x £545.26 = £71.10
(4) Flat 6- 19.11 % x £545.26 = £104.20.

Internal repair costs 2023/2024

88. The Applicants challenge the cost of £1679. This comprises the following amounts:

(1) Bourne invoice £150;

(2) Bourne invoice £912;

(3) DPJ invoice £377.14;

(4) Pest UK invoice £240.

89. In relation to (2) above for pest control, it would appear that 1 of the new rat blockers was removed by the Respondent, hence the Applicants' challenge. Also the Applicants contended the appropriate percentage should be the external percentage (using flat 5 as an example, 10.27%), because this concerned, at least in part, external works. One rat blocker was put in 15 Bedford St, and another outside a communal area.

90. The Applicants relied on alternative quotations showing materials cost of no more than £79 and labour £260.

91. The Respondent accepted this should have been categorised as an external cost.

92. The Respondent also explained that the DPJ works related to works to the dry riser, as confirmed in the exhibit to Mrs Waller's third statement, and were a follow-up to a routine inspection.

93. We determine the following, regarding the 4 invoices:

(1) This cost was reasonably incurred and reasonable in amount, an invoice being provided which details the works (a door realignment requiring 2 persons), and the cost being within a range to be expected;

(2) A service of some nature was reasonable, but the amount claimed is not reasonable. There was no adequate explanation by the Respondent of why the cost was so high (£912), e.g. how many hours it took, and how many persons, and why the second rat blocker was removed. We disagree that removal and disposal of a rat was "specialist attendance" which might explain a higher cost. We consider a reasonable charge to be an external percentage/ proportion, of a total of £79 + £269 (no VAT):

(a) Flat 4- 10.36% x £348= £36.05
(b) Flat 5- 10.27% x £348 =£35.73
(c) Flat 3 – 7.02% x £348 = £24.43
(d) Flat 6- 10.29% x £348 = £35.80.

(3) This cost was reasonably incurred and reasonable in amount, an invoice being provided, plus an explanation with exhibits in Mrs Waller's third statement;

(4) This cost is disallowed. No invoice was supplied to the Applicants before the hearing, and we do not exercise our discretion to admit the invoice provided during the course of the hearing. Even if we had allowed the invoice, there was insufficient explanation and detail on it. The Applicants are therefore entitled to the following credits:

(a) Flat 4- 19.24% x £240 = £46.17
(b) Flat 5- 19.09% x £240 =£45.81
(c) Flat 3 – 13.04% x £240 = £31.29
(d) Flat 6- 19.11 % x £240 = £45.86.

Smoke/Fire Ventilation Equipment 2023/2024

94. This challenge was to a sum of £835.20, made up of £739.20 (William Martin Compliance) and £96 (DPJ). The Applicants contend they had not been sent the invoices, and there was no evidence of payment of suppliers.

95. The Respondents point to both figures appearing on the spreadsheet on p.222 of the bundle, plus the DPJ invoice on p.211 concerning a 6 monthly AOV maintenance. Mrs Waller gave evidence the invoices were paid and there was a FRA report from William Martin. She disagreed that invoices had not been provided to Mr Sachdeva.

96. We determine that the DPJ cost of £96 was reasonably incurred and reasonable in amount, being sufficiently evidenced.

97. We disallow the higher invoice, because the invoice was not in the bundle, nor was the report from William Martin. These documents could and should have been part of the evidence, to bring us insight to the hours spent onsite, the number of personnel required, and the substance of the written materials produced thereafter.

Door callout

98. This was conceded by the Respondent as being an invoice which relates to another site. The Applicants are therefore entitled to the following credits:

(a) Flat 4- 19.24% x £234 = £45.02
(b) Flat 5- 19.09% x £234 =£44.67
(c) Flat 3 – 13.04% x £234 = £30.51
(d) Flat 6- 19.11 % x £234 = £44.72.

Cleaning 2023/2024

99. The Applicants challenge the cost on the accounts of £2363.40, being a relevant cost for which an internal percentage is payable. As the service is provided only once per month, the monthly cost is £196.95, therefore.

100. The Applicants had obtained their own quotation in roughly the same amount (£50 inc VAT, for a weekly service).

101. The Respondent contended that it used a list of approved contractors to meet stringent requirements such as £5,000,000 public liability insurance, suitable accreditation, and compliance with ethical and legal standards. The Respondent further contended that it always considers comparative pricing, and where a cost is greater than £500, the agents must seek approval from the landlord. These checks and balances therefore make the cost reasonable in amount.

102. Mrs Waller gave evidence that these are in fact weekly visits provided, and that the cleaners are asked to sign an attendance sheet every week. Mrs Waller confirmed she had not been to the block, but the property manager would be able to provide details.

103. The Tribunal determines that the cost was recently incurred and reasonable in amount. We have little detail of what would be provided as part of the Applicants' quotation; although we have few details about the scope of works actually undertaken by the cleaners engaged by the Respondent.

104. Given there is little discrepancy in amount between the parties, we do not consider that the Applicants have established a prima facie case that the cost is unreasonable, and accordingly we are not required to be sceptical: *Enterprise Developments v Adam* [2020] UKUT 0151 (LC).

Loose front door handle 2023/2024

105. The Applicants do not challenge that this cost was reasonably incurred, but contend that securing of a front door handle for a cost of £198 including VAT was excessive. Mr Sachdeva repeatedly contended that a screw in the front door handle only needed to be contended, but on questioning from the Tribunal, conceded this was mere assumption.

106. We were directed towards the invoice which states: "Team attended 22/06/23 as requested to re-secure the front door handle that was loose. We tightened and left working correctly".

107. The Respondent's Mrs Waller explained that the contractors Bourne maintenance have a minimum callout charge of £165 plus VAT. She confirmed the invoice was paid, but was unable to assist us to the scope of work, save as to the description on the invoice.

108. The Tribunal determines that the cost was reasonable in amount. The Applicants' assumption that the job was straightforward was supposition. The Respondents used a contractor who does multiple jobs in relation to Hackworth Court, and the provision of a minimum call out charge is understandable.

Subsidy argument

109. This is to be found in paragraph 31 onwards of the lead Applicant's witness statement. In short the Applicants complain that the landlord's contribution on behalf of the non leasehold flats is only £90 per month, or £1080 per year, a figure 33.5% lower than the actual leasehold payment for the same category of charges in 2023. The Applicants contend that the landlord's costs are artificially suppressed, while leaseholders bear a disproportionate share of the estate expenditure.

110. By way of further explanation, the Applicants say that Hackworth Court is only part of block D, which has a total of 10 units. Hackworth Court comprises 6 units, 4 leasehold and two tenants. The other 4 units are 9 Bedford St, 11 Bedford St, 13 Bedford St, and 15 Bedford St.

111. The Applicants sought to take the Tribunal to documents which were not part of the bundle to make good their case. The Tribunal did not allow this course, out of fairness to the Respondent.

112. The Respondent relied on Ms Waller's second statement at para. 24. This explains that, to the extent that the Respondent does not recover from the 6 affordable units the amount equivalent to apportionment, the Respondent contributes the balance itself.

113. We do not consider that there is sufficient evidence that the Respondent's costs are artificially suppressed and that the Applicants pay a disproportionate amount towards the service charges. We prefer the Respondent's explanation, and we are prepared to take Mrs Waller's written assurance in this regard, confirmed by a statement of truth.

s.20C Landlord and Tenant Act 1985/ para 5A Schedule 11 of CLRA 2002

114. The Respondent having conceded that it is unable to pass the costs of these proceedings through the service charges, we make no order on the Applicants' application under s.20C Landlord and Tenant Act 1985/ para 5A Schedule 11 of CLRA 2002.

Hearing and application fee

115. We consider the Applicants have been largely successful and were required to bring these proceedings to achieve that. We award the Applicants the hearing and application fees of £300, payable by the Respondent within 28 days of this decision.

Name: Tribunal Judge S Evans **Date**: 6 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).