FIRST – TIER TRIBUNAL
PROPERTY CHAMBER
(RESIDENTIAL PROPERTY)

Case Reference	**CAM/42 UD/LIS/2023/0018**
Properties	**117 & 139A Churchman House** **Portman Road** **Ipswich IP1 2BN**
Claimant	**Churchman House Residents Management Company Ltd.**
represented by	**Will Beetson, barrister, instructed by Brady solicitors accompanied by Paul Mather, managing agent**
Defendants	**John William Burton Hall & Wendy Hall**
represented by	**in person and unrepresented**
Application	**Transfer from the County Court sitting at Ipswich for the determination of the payability and reasonableness of service charges (under section 18 of the Landlord and Tenant Act 1985) and administration charges (under Schedule 11 to the Commonhold and Leasehold Reform Act 2022)**
Tribunal Members	**Judge Stephen Reeder** **Valuer member Roland Thomas MRICS**
Hearing venue	**Novotel Ipswich Central** **Grey Friars Road, Ipswich IP11**
Date of hearing	**13 January 2025**
Date of Decision	**13 January 2025**
Date Written	**30 September 2025**

DECISION

DECISION

1. The tribunal determines that the following sums are payable and reasonable as service charges–

2021

Health, safety and fire risk assessments - £2,670
Lift maintenance and repairs - £9,413
Fire Safety and servicing - £1,896
Health, safety and fire risk assessments -£515
General repairs and maintenance - £9,855
Interior and exterior cleaning - £661
Water rates and hygiene (not challenged) - £31.
Electricity - £3,293
Grounds and car park maintenance - £2,855
Contract cleaning and rubbish removal - £7,028
Directors' and officers' insurance (not challenged) - £297
Engineers' insurance - £428
Property managing agent's commission - Zero
Telephone, fax and internet - £1,269
Postage and delivery - £115
Bank service charges (not challenged) - £101
Preparation of dormant limited company accounts - £34
Preparation of service charge accounts (not challenged) - £600
Company secretarial fees - £525
Legal and professional charges – this is a matter for the county court.
Referral fee – this is a matter for the county court.
Property managing agents fee - £7,000

2022

Lift maintenance and repairs - £3,997
Fire Safety and servicing - £402
Health, safety and fire risk assessments - £690
General repairs and maintenance - £16,662
Paladin hire - £790
Water rates and hygiene (not challenged) - £30
Electricity - £5,230
Grounds and car park maintenance - £2,600
Contract cleaning and rubbish removal - £2,873
Directors and officers insurance (not challenged) - £385
Engineers insurance - £428
Telephone, fax and internet - £841
Postage and delivery - £27
Bank service charges - £473
Preparation of service charge accounts - £720
Company secretarial fees - £525
Legal and professional charges - this is a matter for the county court
Legal fees re debt collection - this is a matter for the county court

Property managing agents fee - £7,000

2. The paperwork filed with the tribunal includes an application pursuant to s20C of the Landlord & Tenant Act 1985 and/or paragraph 5A in Schedule 11 to the Commonhold and Leasehold Reform Act 2002 which reduces or extinguishes the defendants' liability to pay an administration charge in respect of the litigation costs related to this tribunal as contractual costs under the lease. Having regard to the tribunal's determinations and the outcome of the proceedings before it, the tribunal would not make an order pursuant to s20C of the Landlord & Tenant Act 1985 and/or paragraph 5A in Schedule 11 to the Commonhold and Leasehold Reform Act 2002 to extinguish the applicant's liability to pay a service or administration charge in respect of litigation costs as contractual costs under the lease. However, this is a matter for the judge in the county court when considering the proceedings and the related costs as a whole.

3. The claimant may have paid both an issue fee of £100 and a hearing fee of £200. Having regard to *Rule 13(2) of The Tribunal Procedure (First-tier Tribunal) (Property Chamber) Rules 2013*, and to the tribunal's determinations and the outcome of the proceedings. If so, these costs are incurred directly as a result of the transfer from the county court and so are a matter for the judge in the county court when considering the proceedings and the related costs as a whole.

4. In considering whether to exercise its power to make any party costs order the Tribunal has careful regard to *section 29(2) of the Tribunals, Courts and Enforcement Act 2007 and Rule 13(1)(b) of the Tribunal Procedure (First-tier Tribunal)(Property Chamber) Rules 2013* read against the overriding objective in Rule 3 of the 2013 Rules and the guidance given by the Chamber President and Deputy President in *Willow Court Management Ltd v Alexander, Sinclair v Sussex Gardens RTM, Stone v Hogarth Rd Management Ltd [2016] UKUT 0290 (LC)*. Having regard to the tribunal's determinations, the outcome of the application and the conduct of the parties the tribunal would not make any party costs order, but again, this is ultimately a matter for the judge in the county court when considering the proceedings and the related costs as a whole.

REASONS

The application, the property & the parties

5. This matter comes before the tribunal further to an order made by District Judge Humphreys on 13 January 2023 which stayed a claim in the county court for mediation and directed that "the matter shall then be transferred the first-tier tribunal property chamber to be place before a judge for directions". The transfer was received from the county court on 24 May 2023.

6. The county court claim relates to unpaid service charges demanded of the defendants in respect of 117 & 139A Churchman House, Portman Road, Ipswich IP1 2BN ('the properties') for the service charge years 2021 and 2022.

7. On 1 February 2024 Judge Wyatt made a case management and directions order which provides that in view of the terms of the transfer order, the tribunal will not deal with any claims for rent, or costs of proceedings in the county court, or any claim to statutory interest in the discretion of the county court, under the deployment arrangements. This tribunal is to determine only the payability and reasonableness of service charges (under section 18 of the

Landlord and Tenant Act 1985) and administration charges (under Schedule 11 to the Commonhold and Leasehold Reform Act 2022), and any application by the leaseholders to limit the payment of any legal costs of the tribunal proceedings as part of the service charge under section 20C of Landlord and Tenant Act 1985 and/or limit the payment of legal costs in the connection with the tribunal proceedings as an administration charge under paragraph 5A of Schedule 11 to the Commonhold and Leasehold Reform Act 2022.

8. The claimant is the residents' management company for Churchman House. The shareholders of that company are the lessees of the properties in the block. It is entitled to demand the service charges under the respective leases. The defendants are the registered proprietors of the properties. The defendants reside in 117 Churchman House and let 139A to tenants.

9. Churchman House is a block comprising 29 flats situated over 5 floors. It has been converted from factory use and was constructed in or about 2002-2003. The floors are served by one lift and one staircase. A car park accessed by electric gates provides 26 parking spaces.

The hearing

10. The tribunal convened an in person and attended hearing on 13 January 20245. Neither party requested an inspection of the property, the building in which it is located, or the associated grounds. The tribunal is satisfied that an inspection was not necessary in order to determine the issues raised in the application. The tribunal made its determinations on 13 January 2025.

11. The claimant has been represented by Will Beetson, barrister, instructed by Brady solicitors. He has been accompanied by Paul Mather, managing agent.

12. The defendants John William Burton Hall & Wendy Hall have appeared in person.

13. In response to Judge Wyatt's directions order of 1 February 2024 the tribunal has been provided with a documents bundle comprising 1185 pages together with a short 4-page skeleton argument on behalf of the claimant.

14. The tribunal has had careful regard to the documents bundle filed including the county court pleadings, the leases for 117 and 139A Churchman House, the completed Scott schedule identifying the charges challenged and the parties' respective positions on those charges, the final service charge accounts for 2021 and 2022, the related demands, and the related invoices and correspondence.

15. The tribunal heard oral evidence from Wendy Hall for the defendants and from Paul Mather for the claimant. The tribunal heard argument from Wendy Hall for the defendants and from Will Beetson for the claimant.

The law

16. The Landlord & Tenant Act 1985 as amended by the Commonhold & Leasehold Reform Act 2002 (hereafter 'the LTA 1985') sets out the Tribunal's jurisdiction to determine liability to pay service charges. Section 27A(1) of 1985 Act provides as follows –

An application may be made to a leasehold valuation tribunal for a determination whether a service charge is payable and, if it is, as to-

(a) the person by whom it is payable,

(b) the person to whom it is payable,

(c) the amount which is payable,

(d) the date at or by which it is payable, and

(e) the manner in which is payable.

17. Section 18 sets out the meanings of ‘service charge’ and ‘relevant costs’.

18. Section 19 sets out that jurisdiction to limit service charges to those relevant costs which are reasonably incurred and to those which arise from works and services of a reasonable standard.

19. Section 20C LTA 1985 sets out the jurisdiction, where the tribunal considers that it is just and equitable to do so, to grant an order providing that all or any of the costs incurred by the landlord in connection with proceedings before this tribunal are not to be regarded as relevant costs to be taken into account in determining the amount of any service charge payable by the lessee or any other person or persons specified in the application. Paragraph 5A of Schedule 11 to the Commonhold and Leasehold Reform Act 2002 provides jurisdiction for the Tribunal to make an order to reduce or extinguish the tenant’s’ liability to pay an administration charge in respect of litigation costs.

20. Part 1 of Schedule 11 to the Commonhold & Leasehold Reform Act 2002 (hereafter ‘CLARA 2002’) sets out the Tribunal’s jurisdiction to determine the payability and reasonableness of administration charges. Section 5(1) of Part 1 to Schedule 11 provides –

An application may be made to a leasehold valuation tribunal for a determination whether an administration charge is payable and, if it is, as to--

(a) the person by whom it is payable,

(b) the person to whom it is payable,

(c) the amount which is payable,

(d) the date at or by which it is payable, and

(e) the manner in which it is payable.

21. Section 1 provides a definition of ‘administration charge’. Sections 2 & 3 provide that a variable administration charge is payable only to the extent that the charge specified in lease is reasonable, that the formula specified for determining the charge is reasonable, and that amount of the charge is reasonable.

The lease & liability to pay relevant costs

22. The tribunal is provided with a copy of the leases for 117 and 139A Churchman House. For the purposes of the issues before the tribunal on this application the leases are in the same form, save for the individual proportion of relevant costs payable for each flat respectively.

23. Clause 7 and the Fourth Schedule set out the management company covenants to insure the block, keep it in in good and substantial repair, light and clean the common parts, maintain the drives and grounds, and employ such staff as may be reasonably required to carry out all necessary works of maintenance, cleaning, repair and such other duties as are necessary for the proper running, management and security of the block.

24. Clause 4 and the Second Schedule set out the lessees' covenants to pay the management company's maintenance charge in the manner set out in the Fifth Schedule. The Fifth Schedule defines that charge as 1.83% in respect of 117 Churchman House and 3.63% in respect of 139A Churchman House of the aggregate cost to the management company of complying with its covenants under the lease and providing such reserves for future anticipated maintenance as the management company think desirable. Those costs are defined to include all fees, charges and expenses payable to solicitors, accountants, surveyors, agents, and architects instructed in relation to the maintenance or management of the block or the ascertainment of the maintenance charge. Those costs are defined to include insurance costs, the purchase or hire of any equipment for the benefit of the residents on the flats in the block, together with all administration, accountancy, legal and other costs of the management company in carrying on its business and the costs of incorporation of the management company, and all other costs incurred by the management company in the discharge of its obligations under the lease.

25. The handwritten defence filed in the county court proceedings by the defendants acting in person expressly states that contractual obligation to pay the demanded service charge sums is not disputed. It further states that what is challenged is the "the sums….to run and manage the building….over and above the leases minimum amount which in our opinion are excessive if not extortionate amounts". At the outset of the hearing before tribunal the defendants have confirmed this is the basis for challenge before the tribunal. Liability to pay is not in dispute. The reasonableness of the sums demanded as service charge are disputed.

Discussion and determinations

Generic issues and argument

26. The defendants make a generic argument that the annual service charge which can be demanded is restricted to the "the minimum payment" of £550 stated in the lease. This is a misreading of the lease. Clause 3((ii) of the Fifth schedule to the lease provides for a half yearly minimum payment of "£550…or such greater or lesser sum as the Directors of the Management Company may by resolution of its directors determine from time to time to be the appropriate portion of amount reasonable required to enable the Management Company to cover its outgoings for the relevant year". The Fifth schedule also expressly provides for both additional payments on account of service charge, and for a year end balancing payment demand for the certified actual costs incurred.

27. The defendants make a generic argument that there is little or no evidence that the works and services charged for were provided, largely because they themselves did not see people carrying out the works and services. The tribunal does not find this persuasive. As directed by the tribunal's order made on 1 February 2024, the claimant has filed the final certificated service charge accounts for 2021 and 2022, the related demands, and the related contractor/supplier invoices together with some surrounding correspondence. The claimant's evidence describes a quite typical management system for identifying works and services needed, commissioning what is necessary, pursing value for money and reasonable relevant

costs, and recharging only the actual relevant costs incurred. The tribunal notes that no other lessee of Churchman House has made a similar complaint. The tribunal determines that the evidence before it establishes that the works and services charged for were delivered.

28. The defendants make a generic argument that the service charge costs are "extortionate". They have not filed any evidence of comparable costs to support a contention that the sums claimed are unreasonably high and/or to support the lesser sums they consider to be reasonable. The tribunal has therefore analysed the reasonableness of the actual relevant costs recharged within the context of the claimant's evidence of the management process for identifying works and services needed, commissioning what is considered necessary, and pursing value for money to incur only reasonable relevant costs.

2021

Health, safety and fire risk assessments

29. The sum demanded is £12,030. The claimant has confirmed before the tribunal that two of the assessments (Michael A Fox Assoc Ltd invoices 247 and 349 totalling £9,360) have been removed from the claim as they relate to cladding. This leaves £2,670 due for the Kendon Safety and Whale Fire Ltd assessments. The claimant has disclosed the documentation to establish that this is the cost actually incurred to obtain those assessments and reports. It is the claimant's evidence that it was advised that these assessments were necessary to follow the RICS guidance and best practice on fire safety. The tribunal has considered the assessment reports from Kendon Safety and from Whale Fire Ltd, the related invoices and documents. The defendants have not made any reasoned argument to challenge the cost. The tribunal considers that the sum of £2,670 is reasonable and payable.

Lift maintenance and repairs

30. The sum demanded is £9,413. There is one lift serving the five floors in the block. The contractor engaged is Genesis Lifts. The sum demanded comprises the annual maintenance contract cost (inspection and running maintenance and standby payment) of £225 per quarter, call out costs, and one item of major works being replacement of the lift car internal door and operator package. The claimant has produced the invoices and correspondence, with narrative descriptions of each job, for each individual charge. The tribunal considers that the sum of £9,413 is reasonable and payable.

31. The defendants complain that the lift broke down too often during this period due to its poor state of repair, until the major works in November 2021 which remedied the problem. The claimant does not dispute this but states that it is the original lift and is now in excess of 20 years old so that it was reasonable to repair as required and then carry out the major works. The tribunal considers that this is a management issue to be reflected in the determination relating to the management fee.

Fire Safety and servicing

32. The sum demanded is £1,896. This comprises two invoiced charges from 1st Class Fire Protection Ltd (one for 6 monthly testing and service of the fire alarm and emergency lighting, and one for repairs to the emergency lighting), and one from Colne View Contracts Ltd (for replacement fire doors). The claimant has produced the invoices and correspondence. They are clearly relevant costs reasonably incurred. The costs are unremarkable for the works described. The defendants have not made any reasoned argument to challenge the cost. The tribunal considers that the sum of £1,896 is reasonable and payable.

Health, safety and fire risk assessments

33. The sum demanded is £515. The claimants have provided the relevant invoice from Chapel Doors Ltd which describes the work done as "attending Churchman House…to supply and install a section of wall clip and door stops …tested and left in good order". The defendants accept this work was done but contend that the cost is unreasonable and that it should be "half that sum". No supporting evidence is offered to show that this item of work could be obtained in the marketplace for half of the actual cost recharged. The cost is unremarkable for the works described. The tribunal considers that the sum of £515 is reasonable and payable.

General repairs and maintenance

34. The sum demanded is £9,855. This the total of 33 invoices from a number of named contractors which have been provided by the claimant and summarised in schedule form. The defendants argue that many of the call outs did not take place, some of the work was simply not done, and that some of the amounts charged are "ludicrous". The defendant was invited to identify one or more contractors or invoiced costs which support their argument.

35. The first is the RVTV Security invoices totalling 6 over the relevant year. These relate to CCTV and entry phone systems. In relation to these costs the defendants state they did not see the works done and do not understand why the contractor was called out so many times. The tribunal considers that this is answered by the narrative descriptions in each invoice of the visit to Churchman House and work done.

36. The second is the Block Management UK Ltd invoices totalling 9 over the relevant year. These relate to reactive repairs (to block paving and downspouts etc) as itemised by narrative description in each invoice. In relation to these costs the defendants state that the charges are reasonable if the work was actually carried out and if it was done to a reasonable standard. They state the maintenance was carried out to a very poor standard and was "usually a bodge job". They have provided no evidence to support this argument. There is no evidence of such concerns being raised by any other lessee or occupier at Churchman House. The tribunal considers that the narrative work descriptions in each invoice are typical and that the claimant's evidence explains clearly its system for ensuring works instructed are completed to a reasonable standard.

37. The tribunal considers that the sum of £9,855 is reasonable and payable.

Interior and exterior cleaning

38. The sum demanded is £661. This relates to the invoiced cost of paladin hire from Ipswich Borough Council. The defendants “object to this as we pay for this on our rates”. The claimants respond that the council tax item for refuse is for a single wheelie bin. The invoice recharged by the claimant is for paladin hire for the block which are situated in the bin store provided in the grounds. Both parties agreed that there is no room for 30-50 individual ‘flat’ bins in the grounds. The tribunal considers that the paladin arrangement is a reasonable management decision taken by the claimant which itself comprises the lessees of Churchman House. The tribunal considers that the sum of £661 is reasonable and payable.

Water rates and hygiene

39. The sum demanded is £31. This is not challenged. The tribunal accepts that it is reasonable and payable.

Electricity

40. The sum demanded is £3,293. The claimant has produced the periodic supplier bills which produce this total charge. It states that this supply covers the entire communal parts including the lighting of internal areas within the block, the lift, the CTTV and intercom/entry phone system, the entry gates, and the external lighting to the block and grounds. Having been taken through this evidence the defendants accepted that this is the actual cost incurred as [we] “don’t have enough to say they are incorrect”. The tribunal determines that the sum demanded of £3,293 is reasonable and payable.

Grounds and car park maintenance

41. The sum demanded is £2,885. The claimant has provided each monthly invoice from the contractors Block Management UK Ltd and AS Grounds and Maintenance Ltd and summarised them in a schedule. The invoices show separate charges in respect of the grounds and the car park. The claimant has been asked how value for money is achieved. It confirms that the required service is put to the market annually and that this illustrated by the change from Block Management UK Ltd to AS Grounds and Maintenance Ltd which achieved a lower cost.

42. The defendants argue that the cost is unreasonable because the standard of service was poor. They state that the central drainage to the car park was defective in 2021, that weeds grew everywhere and that the brick weave flooring was lifting. They referred the tribunal to photographs in the documents bundle which they say supports this challenge. They contend that this charge should be reduced to nothing as it is “null and void” on the grounds that the contractors “were not doing any work”.

43. The tribunal considers that the service specification and narrative work descriptions in each invoice describe a reasonable service for the grounds and car park areas at Churchman House, and further that the claimant’s evidence explains clearly its system for ensuring works instructed are completed to a reasonable standard. The photographs we were referred to do not disclose the poor state of those areas described and so do not support the defendant’s challenge. There is no evidence of such concerns being raised by any other lessee or occupier

at Churchman House. The tribunal determines that the sum demanded of £2,885 is reasonable and payable.

Contract cleaning and rubbish removal

44. The sum demanded is £7,028. The claimants have produced the component invoices and summarised them in a schedule. They comprise monthly visits plus additional visits requested by the lessees and occupiers at Churchman House including one large item clearance. The claimant's evidence is that the contractor removes anything that is requested and carry out any cleaning that is requested. Those requests come via the directors of the claimant company including Mr Faulkener, Mr Kidd and Mr Chumann.

45. The defendants' response is that they "don't believe a word" of the claimant's evidence. On the one hand they state there is no rubbish requiring removal and no adequate cleaning carried out. On the other hand, they argue that a one hour visit by one person every 2-3 weeks would be sufficient and a reasonable cost would be £1,000.

46. The tribunal accepts the claimant's evidence of the actual costs incurred. The defendants' evidence is not remotely persuasive. The tribunal determines that the sum demanded of £7,028 is reasonable and payable.

Directors' and officers' insurance (not challenged)

47. The sum demanded is £297. This is not challenged. The tribunal accepts that it is reasonable and payable.

Engineers' insurance

48. The sum demanded is £428. This is one payment to Messrs Woodward Markwell (insurance brokers) for engineering and construction insurance cover for the lift serving the block. The claimant has produced the invoice and related correspondence. The policy is provided by Allianz Insurance Plc. The defendants argue that it is an additional and high cost as they are already paying for block insurance. The tribunal considers that the lease provisions allow the management company sufficient leeway to decide what insurance cover is reasonably required. Such insurance is not required but may be considered good management practice. The use of a specialist broker to obtain the cover from a well-known insurer has resulted in a costs which is unremarkable. The tribunal determines that the sum demanded of £428 is reasonable and payable.

Property managing agents' commission

49. The sum demanded is £797. This is payable to Block Management UK Limited. The invoice describes it as being a commission of 8% of the value of the major works carried out. The tribunal notes that a management fee of £7,000 is paid to Block Management UK Limited. The claimant told the tribunal that this was paid for a "full management service including arrangements for maintenance and works". The tribunal determines that an additional managing agents' commission charge is not reasonably incurred in such circumstances. The sum demanded is not reasonable and is not payable.

Telephone, fax and internet

50. The sum demanded is £1,269. The defendants challenge this on the basis that they want to understand what the actual costs incurred are, why the cost is so much more than their personal bills similar utilities, and why there is a telephone in the lift.

51. The claimant has filed the 12 monthly invoices from BT for the relevant year. These are the actual costs incurred which are recharged to the lessees. The claimant confirms this funds a broadband connection for the block which includes the 24/7 CCTV and the 24/7 entry phone system. The claimant confirms there is a phone in the lift in case of breakdown. The tribunal considers, including having regard to the lease covenants, that this arrangement is reasonable for a block of this type and size.

52. The tribunal determines that the sum demanded of £1,269 is reasonable and payable. This I allowed on the basis that the claimant and its retained managing agent need to achieve the cheapest available market deal. However, the claimant is encouraged to explore the many alternative suppliers offering economic deals (even if fixed and short term) going forwards.

Postage and delivery

53. The sum demanded is £227. The defendants challenge it as "surprisingly high". The claimant has helpfully summarised the costs in the schedule provided for the proceedings, together with related invoices. It has clarified that this cost does not relate to service charge demands which are part of the management charge. The claimant has openly and collaboratively directed the tribunal to the fact that approximately half this correspondence relates to cladding issues and so can be discounted. Doing the best it can on the evidence and information before it the tribunal determines that a reasonable and payable cost for postage and delivery is £115.

Bank service charges

54. The sum demanded is £101. This is not disputed. The tribunal accepts that it is reasonable and payable.

Preparation of dormant limited company accounts

55. The sum demanded is £240. The invoice confirms this amount was paid to Block Management UK Ltd for "sales accountancy work….Churchman House dormant accounts filed". This is an annual filing. The tribunal considers that the preparation of such an account is straightforward. There is no fee payable for filing. It is reasonable to obtain the confirmation statement at a fee of £34. The tribunal notes that a management fee of £7,000 is paid to Block Management UK Limited for a "full management service". The tribunal notes that a separate fee is charged to provide company secretarial services to the Churchman House Residents Management Company Ltd. The tribunal considers that in such circumstances it is not reasonable to demand an additional fee for the preparation of dormant company accounts. It does allow the sum of £34 in the event that a confirmation statement was obtained.

Preparation of service charge accounts

56. The sum demanded is £600. This is not challenged. The tribunal accepts that it is reasonable and payable.

Company secretarial fees

57. The sum demanded is £669. The claimant’s evidence is that it provides a registered office for and acts as the company secretary of Churchman House Residents Management Company Ltd whose shareholders are the lessees in the block. This service includes arranging the AGM and any necessary EGM, the necessary administrative tasks for the appointment and termination of directors. The claimant’s evidence is that this is an optional service and was requested by Churchman House Residents Management Company Ltd. It is a fixed annual fee.

58. The defendants argue that this service should be covered by the management fee and is excessive as an additional charge.

59. The tribunal considers that this fee should reflect the fact that a separate and substantive management fee is payable and that the market would deliver an annual fee of £500-£550 for a service of this scope for a management company of this type managing this block within the wider arrangement of a separate and substantive management fee

60. The tribunal determines that a charge of £525 is reasonable and payable for company secretarial fees.

Legal and professional charges

61. The sum demanded is £513. This is a matter for the county court.

Referral fee

62. The sum demanded is £1,008. This is a matter for the county court.

Property managing agents’ fee

63. The sum demanded is £7,000. This equates to £241 per flat in the block. The lease dictates that the individual fee is £128.10 for flat 117 and £254.10 for flat 139A. The claimant argues that this is an agreed fee under the management agency agreement which provides a “full management service” following the RICS professional guidance and including quarterly block inspections, maintenance and repair planning and administration, preparing service charge budgets, managing the service charge demand and credit control procedures, and managing ‘back-end’ accounting so that relevant cost invoices and information are available for the accountants and lessees.

64. The defendants argue that the management was so poor that necessary works were not being done or were not being done properly so that conditions deteriorated meaning more works were needed and more expense was incurred than was reasonable. The main example relied upon is when the defendants complain that the lift broke down too often during this period due to its poor state of repair, until the major works in November 2021 which remedied the problem. The claimant does not dispute this but states that it is the original lift and is now in excess of 20 years old so that it was reasonable to repair as required before incurring the significant cost of the major works when the same became unavoidably necessary. The tribunal considers that this is a reasonable management decision to attempt running repairs before incurring the cost of the major works.

65. The defendants' contend that the service they received was "zero" and the block "not managed" during the period. Whilst they accept the £7,000 overall cost may be reasonable for a reasonable level of management, they argue that it should be discounted by 65-70% to reflect the poor service delivered.

66. The tribunal considers that sum demanded of £7,000, equating to approximately £241 per flat in the block is within the reasonable scope of a management fee for a block of this type located in the area for the type of "full management service" described by the claimant and confirmed in the documents before the tribunal. The defendants' account of receiving zero service and of Churchman House being left unmanaged with "embarrassing communal areas" is simply not supported by the documentary evidence before the tribunal. Nor is there any evidence of any other lessee or occupier of the block asserting a similar complaint. The tribunal determines that the sum demanded of £7,000 is reasonable and payable.

2022

67. The defendants have pursued the same arguments as they did in respect of 2021. The claimant's have made the same responses. The tribunal has reached similar determinations.

Lift maintenance and repairs

68. The sum demanded is £3,997. Again, this comprises the annual maintenance contract cost and responsive call out and remedy costs, both of which are clearly recorded in the invoices and documents as actual costs. The tribunal considers that the sum of £3,997 is reasonable and payable.

Fire Safety and servicing

69. The sum demanded is £402. Again, this is for 6 monthly testing and service and is the actual cost as invoiced. The tribunal considers that the sum of £402 is reasonable and payable.

Health, safety and fire risk assessments

70. The sum demanded is £690. Again, this is the actual costs as invoiced and there is no evidence to suggest the sum is unreasonable for the work done. The tribunal considers that the sum of £690 is reasonable and payable.

General repairs and maintenance

71. The sum demanded is £16,662. Again, this is the actual cost incurred based on the invoices and documentation and there is no evidence to suggest the sum is unreasonable for the work done. The tribunal considers that the sum of £16,662 is reasonable and payable.

Paladin hire

72. The sum demanded is £790. This is the actual hire cost payable to Ipswich Council. The tribunal considers that the sum of £790 is reasonable and payable

Water rates and hygiene (not challenged)

73. The sum demanded is £30. This is not challenged. It is supported by the bills filed. The tribunal determines that the sum of £30 is reasonable and payable.

Electricity

74. The sum demanded is £5,230. This is the actual cost incurred as evidenced by the supplier bills filed. The tribunal determines that the sum of £5,230 is reasonable and payable. The claimant is reminded of the importance of periodically going to the utility supply market to check that value for money is being achieved.

Grounds and car park maintenance

75. The sum demanded is £2,600. Again, this the actual cost based on the monthly invoices filed. Again, there is no evidence to establish that the service provided was poor such that any reduction is merited. The tribunal determines that the sum of £2,600 is reasonable and payable.

Contract cleaning and rubbish removal

76. The sum demanded is £2,873. Again, this the actual cost based on the periodic invoices filed. Again, there is no evidence to establish that the service provided was poor such that any reduction is merited. The tribunal determines that the sum of £2,873 is reasonable and payable.

Directors' and officer's insurance (not challenged)

77. The sum demanded is £385. It is not challenged. The tribunal determines that the sum of £385 is reasonable and payable.

Engineers' insurance

78. The sum demanded is £428. This is the same as in the previous year. For the same reasoning the tribunal considers that the sum of £428 is reasonable and payable.

Telephone, fax and internet

79. The sum demanded is £841. This is again the actual cost shown by the 12 monthly invoices filed. The tribunal considers that the sum of £841 is reasonable and payable. The claimant is reminded of the importance of periodically going to the utility supply market to check that value for money is being achieved.

Postage and delivery

80. The sum demanded is £27. This is materially lower than in the previous year and is supported by the invoices and bills filed. The tribunal determines that the sum of £27 is reasonable and payable.

Bank service charges (not challenged).

81. The sum demanded is £473. This is not challenged. The tribunal determines that it is reasonable and payable.

Preparation of service charge accounts (not challenged)

82. The sum demanded is £720. This is not challenged. The tribunal determines that it is reasonable and payable.

Company secretarial fees

83. The sum demanded is £662. For the same reasons as set out for the earlier year the tribunal determines that the sum of £525 is reasonable and payable.

Legal and professional charges

84. The sum demanded is £600. This is a matter for the county court.

Legal fees re debt collection

85. The sum demanded is £720. This is a matter for the county court.

Property managing agent's fee

86. The sum demanded is £7,000. For the same reasons as set out for the earlier year the tribunal determines that the sum of £7,000 is reasonable and payable.

Fees and Costs

87. The tribunal paperwork filed includes an application pursuant to s20C of the Landlord & Tenant Act 1985 and/or paragraph 5A in Schedule 11 to the Commonhold and Leasehold Reform Act 2002 which reduces or extinguishes the defendants' liability to pay an administration charge in respect of the litigation costs related to this tribunal as contractual costs under the lease. Having regard to the tribunal's determinations and the outcome of the proceedings before it, the tribunal would not make an order pursuant to s20C of the Landlord & Tenant Act 1985 and/or paragraph 5A in Schedule 11 to the Commonhold and Leasehold Reform Act 2002 to extinguish the applicant's liability to pay a service or administration charge in respect of litigation costs as contractual costs under the lease. However, this is a matter for the judge in the county court when considering the proceedings and the related costs as a whole.

88. The claimant may have paid both an issue fee of £100 and a hearing fee of £200. Having regard to *Rule 13(2) of The Tribunal Procedure (First-tier Tribunal) (Property Chamber) Rules 2013,* and to the tribunal's determinations and the outcome of the proceedings. If so, these costs are incurred directly as a result of the transfer from the county court and so are a matter for the judge in the county court when considering the proceedings and the related costs as a whole.

89. In considering whether to exercise its power to make any party costs order the Tribunal has careful regard to *section 29(2) of the Tribunals, Courts and Enforcement Act 2007 and Rule 13(1)(b) of the Tribunal Procedure (First-tier Tribunal)(Property Chamber) Rules 2013* read against the overriding objective in Rule 3 of the 2013 Rules and the guidance given by the Chamber President and Deputy President in *Willow Court Management Ltd v Alexander, Sinclair v Sussex Gardens RTM, Stone v Hogarth Rd Management Ltd [2016] UKUT 0290 (LC).* Having regard to the tribunal's determinations, the outcome of the application and the conduct of the parties the tribunal would not make any party costs order, but again, this is ultimately a matter for the judge in the county court when considering the proceedings and the related costs as a whole.

Delay in providing the written Decision

90. The tribunal apologies for the delay in providing this decision. The judicial member has had repeated and lengthy medical absence from work. The fault is mine alone and is not that of the valuer member or the tribunal administration and support colleagues.

Stephen Reeder
Judge of the First Tier Tribunal, Property Chamber
30 September 2025

ANNEX - RIGHTS OF APPEAL

a. **This annex notifies the parties of any right of appeal pursuant to Rule 36(2) of the (First-tier Tribunal) (Property Chamber) Rules 2013.**

b. **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.**

c. **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.**

d. **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.**

e. **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.**

f. **If the tribunal refuses permission to appeal then a further application for permission may be made to the Upper Tribunal (Lands Chamber).**