FIRST-TIER TRIBUNAL
PROPERTY CHAMBER
(RESIDENTIAL PROPERTY)

Case Reference:		**MAN/00BP/LSC/2024/0251**
Property	**:**	**25 & 31, Willowbank, Village Green, Uppermill OL3 6AL**
Applicants	**:**	**Ray Collins & David Moore**
Respondent	**:**	**Willowbank Management Company Limited**
Represented by	**:**	**Keith Scowcroft**
Type of Application	**:**	**Landlord and Tenant Act 1985 - section 27A** **Landlord and Tenant Act 1985 - section 20C** **Commonhold and Leasehold Reform Act 2002, Schedule 11, Part 1, paragraph 5 and paragraph 5A**
Date of Decision	**:**	**12 January 2026**

DECISION

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Order

1. The Tribunal orders that the service charge payable by the Applicants following the £10 per month flat-rate increase with effect from 1 April 2024 is reasonable and the Applicants are liable to pay it accordingly.
2. Having regard to the order in paragraph 1, the Tribunal declines to make orders under s20C of the Landlord and Tenant Act 1985 and under paragraph 5A of Schedule 11 of the Commonhold and Leasehold Reform Act 2002.

Background

3. By an application dated 16 August 2024, ("the Application"), the Applicants sought a determination under s27A of the 1985 Act as to the reasonableness and payability of a £10 per calendar month flat-rate increase to the service charge for the service charge year commencing 1 April 2024.
4. Directions dated 11 September 2025 were issued in response to which both parties made written representations.
5. A determination of the Application "on the papers" was held on 9 December 2025, neither party having requested a hearing.
6. No inspection of the Property was undertaken.
7. A copy of a generic new lease was provided by the Applicants to the Tribunal as being in substantially similar form and content to the leases of both of the Applicants. It is referred to as "the Lease" in this Decision.

The Law

8. Section 18 of the Landlord and Tenant Act 1985, ("the 1985 Act"), provides:

(1) in the following provisions of this Act "service charge" means "an amount payable by a tenant of a dwelling as part of or in addition to the rent –

(a) which is payable directly or indirectly for services, repairs, maintenance, improvements or insurance or the landlord's costs of management, and

(b) the whole or part of which varies or may vary according to the relevant costs.

(2) The relevant costs are the costs or estimated costs incurred or to be incurred by or on behalf of the landlord, or a superior landlord, in connection with the matters for which the service charge is payable.

(3) For this purpose –

(a) "costs" includes overheads, and

(b) costs are relevant costs in relation to a service charge whether they are incurred, or to be incurred, in the period for which the service charge is payable or in an earlier or later period.

9. Section 19 of the 1985 Act provides that –

(1) relevant costs shall be taken into account in determining the amount of a service charge payable for a period –

(a) only to the extent that they are reasonably incurred, and

(b) where they are incurred on the provision of services or the carrying out of works only if the services or works are of a reasonable standard;

and the amount payable shall be limited accordingly.

10. Section 27A of the 1985 Act provides that:

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

(d) the manner in which it is payable.

(2) Subsection (1) applies whether or not any payment has been made.

(3) .....

(4) No application under subsection (1)...may be made in respect of a matter which –

(a) has been agreed by the tenant.....

(5) But the tenant is not to be taken to have agreed or admitted any matter by reason only of having made any payment.

11. In *Veena SA v Cheong* [2003] 1 EGLR 175, Mr. Peter Clarke comprehensively reviewed the authorities at page 182 letters E to L inclusive. He concluded that the word "reasonableness" should be read in its general sense and given a broad common sense meaning [letter K].

12. Section 20C of the 1985 Act provides as follows:

(1) a tenant may make an application to a tribunal for an order preventing, in whole or in part, the inclusion of costs incurred by the landlord in connection with proceedings before the tribunal as relevant costs in determining the amount of any service charge payable by the tenant;

(2) the tribunal may make such order as it considers just and equitable in the circumstances.

13. Paragraph 5A of Part 1 of Schedule 11 to Commonhold and Leasehold Reform Act 2002, ("CLARA"), provides as follows:

(1) a tenant may make an application to a tribunal for an order reducing or extinguishing their liability to pay an administration charge in respect of litigation costs;

(2) "litigation costs" means costs incurred, or to be incurred, by the landlord in connection with proceedings before the tribunal;

(3) the tribunal may make whatever order on the application it considers to be just and equitable.

Evidence

The Applicant's Submissions

14. The Applicants' submissions are summarised as follows:

(1) the Property is a former mill converted into a total of 29 flats over 4 floors;

(2) historically, ten of the flats were classified as "large flats", eighteen of the flats were classified as "small flats" and one flat (Flat 33) appears not to have been classified as either. This was reflected in different percentage contributions to service charges (3% and 4.25%) as provided in paragraph 18 of Schedule 5 to the original 1989 leases;

(3) the Applicants record how since 1990 the differential between the percentage service charge contributions has reduced;

(4) as part of the negotiations in or about 2020 for the granting of lease extensions, it was agreed that leaseholders would surrender their existing leases and enter into new leases. The Lease is included in the Applicants' Bundle;

(5) the new leases were issued from October 2021;

(6) in March 2024, the Respondent notified the leaseholders that there would be a £10 per month increase in the monthly service charge payments with effect from 1 April 2024;

(7) the Applicants state as follows:

(a) the flat-rate increase of £10 to the service charge is not fair and does not comply with the terms of the Lease which requires each flat to pay a proportionate contribution; and,

(b) the Respondent's claim that all leaseholders receive the same service is not correct: whilst they accept that this is the case for services such as gardening costs, maintenance of grounds and pond, decorating of stairwells and common/shared areas, they reject it in the case of services such as building insurance, repairing and maintaining the building, window cleaning, decoration of main corridors and salary of the caretaker.

(8) The Applicants also reject the Respondent's claim that, as Mr Moore no longer owns a flat at the Property, he should not be included as a party to the Application.

The Respondent's Submissions

15. The Respondent's submissions are summarised as follows:

(1) the right of David Moore to be included as a party to the Application is questioned as there is no current contractual relationship between him and the Respondent;

(2) there is a summary of the events leading to the issue of the new leases, including the discussions which took place between the leaseholders and the Respondent;

(3) regardless of the historical differentiation of leaseholders by reference to the size of their flats, all of the leaseholders receive the same services; and,

(4) the £10 increase is in accordance with the provisions of the Lease.

Tribunal's Determination

16. The Tribunal notes as follows:

(1) the relevant document in respect of each of the Applicants is the new lease that they have entered into which the Tribunal accepts is in the form of the Lease;

(2) the relevant provisions in the Lease are as follows:

(a) "service charge" is defined in clause 1x of the Lease as follows:
"an annual fair and reasonable proportionate contribution to all costs charges insurance premiums and expenses incurred by the Lessor in carrying out its obligations under the Sixth Schedule hereto and in respect of the management and general expense of the Lessor and in addition a fair and reasonable proportionate contribution to any sum which the Lessor shall reasonably deem appropriate to collect from the lessees of the Flats and set aside in the Reserve Fund"; and

(b) the costs, charges and expenses relevant to the calculation of the Service Charge are set out in the Sixth Schedule and include the costs of insuring the Building, keeping the Retained Property (internally and externally) "in a good and tenantable state of repair" and free from litter (including the repair and replacement of worn or damaged parts), cleaning and lighting the internal communal areas and externally cleaning the windows of the Building, to keep all fixtures, fittings, soft furnishings etc in good order and to keep proper books of account.

17. The Tribunal finds as follows:

(1) as Mr Moore was a leaseholder until September 2025, it is appropriate for him to be included as a party to the Application in respect of service charge contributions made during the period from 1 April 2024 until the date he ceased to be a leaseholder;

(2) the Applicants have not provided any evidence to support their claim that it is unfair that leaseholders of small 1-bedroom flats should pay the same as larger 2-bedroom flats for the costs associated with the insuring of the Building, its repair and maintenance, the decoration of the main corridors, window cleaning and the caretaker's salary. The Tribunal is not persuaded that the size of an individual leaseholder's flat necessarily has any bearing on the cost of insurance of the Building, its repair and maintenance, the decoration of the "main" corridors and/or the caretaker's salary;

(3) with regard to external window cleaning, it is clear from the floor plans provided by the Applicants that the distinction drawn between 1 and 2-bedrooms does not necessarily determine the number of external windows: that is to say, it is apparent that there are 1-bedroom flats with the same number of windows as some 2-bedroom flats;

(4) in any event, the evidence provided to the Tribunal by the Applicants show that the leaseholders of the smaller flats currently pay less in service charge than leaseholders of larger flats; and,

(5) having regard to its findings in paragraph (2) - (4) above, that the imposition of the flat-rate £10 per calendar month increase in the Applicants' service charge effective from 1 April 2024 is in accordance with the terms of the Lease as its effect is the payment by the Applicants of "an annual fair and reasonable proportionate contribution" to the service charge costs.

18. In view of its findings in paragraph 17, the Tribunal determines that it is not just and equitable in the circumstances to grant the Applicants' applications under s20C of the 1985 Act or under paragraph 5A of Schedule 11 of CLARA.

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