FIRST-TIER TRIBUNAL
PROPERTY CHAMBER (RESIDENTIAL PROPERTY)

Tribunal case reference	**:**	**CAM/22UJ/LSC/2025/0655**
Properties	**:**	**57 Ackroyd House, Edinburgh Gate, Harlow, Essex CM20 2UH**
Applicants	**:**	**Ms V. Zheleva**
Respondent	**:**	**Edinburgh Way Management Company Limited**
Representative	**:**	**Longmores Solicitors LLP**
Type of application	**:**	**Liability to pay service and administration charges (sections 27A and 20C Landlord and Tenant Act 1985; paragraphs 5 and 5A of Schedule 11 to the Commonhold and Leasehold Reform Act 2002)**
Tribunal members	**:**	**Judge M. Hunt Judge C. Morgan Dr J. Wilcox FRICS**
Date of hearing	**:**	**30 January 2026 (remote hearing)**
Appearances at hearing	**:**	**Ms V. Zheleva (the Applicant) Mr A. Brueton (for the Respondent)**
Date of decision	**:**	**11 February 2026**

DECISION

1. All service charges demanded from the Applicant in 2023, 2024 and 2025 are payable in full.

2. The Respondent having confirmed that they had been waived, no administration charges demanded from the Applicant in 2024 or 2025 are payable.

3. A maximum of 50% of the Respondent's costs incurred, or to be incurred, in connection with these proceedings may be treated as a relevant cost chargeable to the Applicant by way of service charge.

4. None of the Respondent's costs incurred, or to be incurred, in connection with these proceedings is chargeable to the Applicant by way of administration charge.

REASONS

Introduction

1. The Applicant is the leaseholder of flat 57, Ackroyd House, Edinburgh Gate, Harlow, Essex, CM20 2UH (the "Property"). Her lease is for a term of 999 years from 1 January 2020. The Respondent is a company that manages the Property and the wider development within which it is situated (the "Estate") in accordance with the terms of the Applicant's lease (the "Lease"), which was executed on 27 November 2023. The Lease provides that the Applicant must contribute to the Respondent's costs of managing the Estate, by way of service charge.

2. The Respondent appointed Rosetree Estates Limited ("Rosetree") as managing agent to manage the Estate on its behalf in November 2023. Via Rosetree, the Respondent has demanded numerous service and administration charges (related to late payment of service charges) from the Applicant. The Applicant had challenged the charges demanded from her in 2024 and 2025.

3. Upon clarification of the nature and origin of these charges at the hearing, the issues for the Tribunal were very substantially narrowed down. It became clear that very few facts were in dispute, neither were large parts of the service charges demanded. The administration charges had been waived by the Respondent who stated that the charges demanded had been credited to the Applicant's service charge account.

4. In determining the application, the Tribunal heard submissions and evidence from the parties. It also considered a file of documents, together with a few further documents provided in advance of and during the hearing. It is grateful to all for their attendance, evidence and submissions. On the few occasions the Tribunal had to make findings of fact, it did so on the balance of probabilities taking account of all of the information available to it.

Relevant law

5. The Landlord and Tenant Act 1985 provides a statutory framework for the management of service charges imposed by a landlord on a tenant. Section 18 provides a broad definition of "*service charge*" and "*relevant costs*". Section 30 provides a broad definition of "*landlord*", including "*any person who has a right to enforce payment of a service charge*", such as the Respondent in this case.

6. Section 19 limits the amount of "*relevant costs*" that can be recovered through a service charge, as follows.

   "***19. Limitation of service charges: reasonableness***

   (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".

7. In relation to "on account" service charges, section 19(2) provides as follows.

   "*(2) Where a service charge is payable before the relevant costs are incurred, no greater amount than is reasonable is so payable, and after the relevant costs have been incurred any necessary adjustment shall be made by repayment, reduction or subsequent charges or otherwise*".

8. Section 27A explains how service charge disputes are to be resolved. It provides as follows, so far as is relevant.

   "***27A. Liability to pay services charges: jurisdiction***

   (1) An application may be made to the appropriate 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 it is payable.

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

9. The Commonhold and Leasehold Reform Act 2002 provides a similar statutory framework for the management of administration charges imposed on a tenant of a dwelling. The framework is contained in schedule 11 to that Act. Paragraph 1 of the schedule provides a definition of "administration charge", which includes sums payable by a tenant in respect of any failure to make payments to any other party to their lease when they fall due and sums payable in connection with a breach of covenant or condition in their lease.

10. Section 20C of the Landlord and Tenant Act 1985 provides that a landlord's costs in connection with legal proceedings, such as the application before this Tribunal, can be excluded from a service charge.

"***20C. Limitation of service charges: costs of proceedings***

(1) A tenant may make an application for an order that all or any of the costs incurred, or to be incurred, by the landlord in connection with proceedings before a court, residential property tribunal or leasehold valuation tribunal or the First-tier Tribunal, or the Upper Tribunal, or in connection with arbitration proceedings, are not to be regarded as relevant costs to be taken into account in determining the amount of any service charge payable by the tenant or any other person or persons specified in the application.

...

(3) The court or tribunal to which the application is made may make such order on the application as it considers just and equitable in the circumstances".

11. A similar provision in relation to administration charges is found at paragraph 5A of schedule 11 to the Commonhold and Leasehold Reform Act 2002.

12. Rule 13(2) of the Tribunal Procedure (First-tier Tribunal) (Property Chamber) Rules 2013 allows the Tribunal to order a party to reimburse another party for any Tribunal fees paid.

13. General contractual law principles apply to the payment of service charges. To the extent that a lease does not require a leaseholder to pay for services, they are not obliged to do so.

The Lease

14. The Lease details the parties' agreement. So far as relevant, the Applicant has agreed to pay by two equal half-yearly instalments in advance a stipulated proportion of the estimated annual costs of managing the Estate (clause 5.7.3) – referred to in the Lease as the "Expenses". The Tribunal refers to this as the "on account" service charge.

15. Clauses 5.7.5.2 and 5.7.5.3 explain that, at the end of each accounting year, the Respondent will assess whether the "on account" service charges exceeded or fell short of the actual expenditure on the Estate for the year. Any "overpayment" is to be credited to the leaseholder. Alternatively, a "balancing charge" will be demanded.

16. The particular Expenses to which the Applicant must contribute are detailed in the Lease, at schedule 4. In accordance with clause 7.11, the Respondent maintains discretion to alter the services it provides "as a result of changing circumstances". Paragraphs 11 and 19 of schedule 4 provide the Respondent with a very broad discretion to do anything that it considers necessary or desirable for the maintenance of the Estate. It is specifically responsible for maintaining the structure and common parts of the buildings on the Estate (paragraphs 4-9), their lifts (paragraph 14) and bin stores (paragraph 17.1).

17. According to the Lease, certain matters remain the Applicant's responsibility, such as an obligation to clean the windows every month (paragraph 15 of schedule 3). This reflects that the definition of the "Property" includes "the windows and window frames and glass in the windows".

The issues

18. As explained above, matters in dispute were significantly narrowed at the hearing. Many of the Applicant's concerns with her service charges revolved around, firstly, not having received any demands for payment on time, secondly, the lack of communication from the Respondent about the charges demanded and, thirdly, the deteriorating condition of the Estate. Expenditure or anticipated expenditure on different services appeared to have fluctuated significantly from year-to-year with little or no explanation and without remedying obvious damage on the Estate.

19. A representative of Rosetree attended the hearing and was very willing to give clear and frank explanations around every issue that had been raised by the Applicant. She demonstrated admirable knowledge of the Estate and the difficulties it had faced since 2023. These included financial issues "inherited" from the previous managing agent, extensive vandalism to various parts of the Estate and complications arising from the short-term usage of some of the flats on the Estate (for instance, as short-term holiday lets). These issues meant that expenditure on the Estate had not yet "settled" into a reliable rhythm. Additionally, the Respondent had to ensure expenditure was spread rationally across multiple years to ensure service charges were kept within reasonable and affordable bounds. For this reason, for instance, only temporary repairs had been undertaken to some vandalised doors/gates pending replacement at a later date, once CCTV had been installed and the amount of damage being caused had reduced. There would be little point replacing doors at great cost just to see them damaged afresh within days or weeks. It would also be too costly to arrange for all works to take place in a single service charge year. Similarly, cosmetic damage to, for instance, the lifts would be held back to occasions when other repairs/maintenance were needed so as to limit costs associated with multiple maintenance visits.

20. In terms of demands for payment, she explained that these had been sent out regularly and on time by post. She could not comment on why letters may not have been received. However, she confirmed that due to the demands not being received, late payment administration charges would be (and had been) waived. If any of the Applicant's friends or neighbours had experienced similar issues, they were invited to contact Rosetree to discuss.

21. With regard to communication with leaseholders, she explained the steps that Rosetree takes to engage with leaseholders, including setting up a group WhatsApp account, arranging regular visits, circulating regular newsletters, holding an Annual General Meeting on site and conducting surveys on important issues. She explained that leaseholders often do not engage with her and her team, which makes discussion of issues the Respondent and Rosetree face difficult.

22. The Applicant found most of Rosetree's explanations and actions both convincing and reassuring, as did the Tribunal. But it seems she had not been aware of its actions or receiving much of its communications. Accordingly, Rosetree committed to reviewing its systems to check that newsletters were being sent out properly to the Applicant and others on the Estate.

23. The Tribunal was unclear why the discussion that took place at the hearing could not have been handled directly between the parties. Nevertheless, it was content to use

the hearing in part to afford the parties the opportunity to explain and resolve their differences. It was heartened that that proved effective. It agreed with the Applicant's concessions that, upon receiving a full explanation of the service charges in dispute and the Respondent's rationale for its decisions, most of those charges were reasonable and therefore payable in full.

24. As to the issues that were originally in dispute, they were all recorded in a schedule produced by the Applicant and related to service charge years 2023/2024, 2024/2025 and 2025/2026. By the time of the hearing, no final accounts had yet been prepared in respect of each of the latter two service charge years so the Tribunal was only able to determine whether those "on account" service charges were reasonable. Any matters related to the reasonableness of costs actually incurred in those years would therefore have to be subject to a separate application, if the parties cannot resolve matters between themselves.

25. As it transpired, the main issue that the Tribunal actually had to determine related to arrangements for cleaning the windows on the Estate.

26. A final issue is whether the Tribunal should make any orders on account of costs.

Facts and conclusions

27. Firstly, as mentioned above, upon Rosetree's clarification at the hearing, most service charges were agreed by the Applicant to have been reasonable in amount. The Tribunal evidently followed and guided that discussion where appropriate.

28. In respect of service charge year 2023/2024, the Tribunal understood that no matters remained in dispute. Window cleaning had been budgeted for, but not undertaken. As will be explained below, the Tribunal was satisfied it was an appropriate Expense for which to budget. No issue was raised about the amount budgeted. In the event, the Respondent did not incur any window cleaning costs that year so no "final" service charge was payable on that account. As to fire door maintenance and inspection, costs were greater than budgeted due to the rapidly increasing cost of this sort of work, which the Tribunal appreciated and accepted.

29. In relation to service charge years 2024/2025 and 2025/2026, again the Tribunal understood that nearly all costs were agreed to have been reasonably budgeted. The anticipated Expenses for internal and external repairs and maintenance, lift maintenance, waste clearance and bin store cleaning appeared reasonable. As explained by Rosetree, and accepted by the Tribunal, the estimates were based on past costs combined with a realistic and considered assessment of the likelihood of

how much cost would be incurred under these heads in the relevant service charge year. Where appropriate, the budgets were set in light of known costs, for instance in respect of the installation of CCTV or of lift maintenance contracts (for which a different provider had been engaged). In respect of other costs where service levels were due to be increased (for instance, increased and more thorough bin store cleaning), the budgeted costs increased accordingly. The Tribunal accepted that, as the Estate had been recently built and had encountered unforeseen vandalism, it would not be straightforward to understand the most effective level of service to provide under each head or consistent budgets. Nevertheless, the Respondent had clearly spent time properly considering the matter to reach balanced and reasonable judgements. In such circumstances, there was no basis for the Tribunal to find any of these budgeted costs to be unreasonable in amount.

30. In respect of checks and maintenance to fire doors, as noted above the budgeted costs for 2023/2024 had proven insufficient. Budgeted costs increased markedly again in the following year. Once again, upon Rosetree's explanation, the Applicant appreciated the reason for this. The Tribunal also understood the difficulties many managers of large developments are facing with increased requirements and costs in relation to fire safety measures. The Respondent has sought to limit costs by providing some inspection services "in-house", where possible, which is to be lauded. The Tribunal also therefore accepted the Respondent's explanation of the increase in the budgeted costs and found them reasonable.

31. Secondly, as to the main issue remaining in dispute, the Tribunal noted the buildings on the Estate are several stories high. There are many windows in the development. The parties accept that it is the Respondent's responsibility to arrange for them to be cleaned at regular intervals. The Tribunal has noted some of the relevant provisions of the Lease above but had no reason to investigate this matter further. In light of the nature of the buildings on the Estate, it seems a perfectly sensible arrangement.

32. In service charge year 2023/2024, Rosetree did not arrange any window cleaning. It had been budgeted for. The 2024/2025 budgeted cost was far more than double the previous year's budget. The Applicant was very concerned by this.

33. The reason provided at the hearing, and accepted by the Tribunal, was as follows. Originally, the Respondent had anticipated cleaning the windows from the ground floor, with the use of extendable poles. The Respondent had an office and depot close to the Estate from which the service could be readily provided. Such a service would have cost close to the amount budgeted in 2023/2024.

34. However, before settling on this approach, the Respondent determined to conduct some tests and seek feedback from residents about the window cleaning quality. Residents of the upper floors of the Estate buildings said that the quality of the clean was poor; theirs were naturally the hardest windows to reach and clean effectively from the ground.

35. Having researched the matter, the Respondent therefore formulated two proposals. Firstly, to maintain the ground-based cleaning approach with visits every 3 months, which was the cheapest option due to the limited equipment required and the ease with which it could be arranged. Secondly, to engage a contractor to clean the windows via abseiling. The latter option was far more expensive, but likely to be more effective. To attempt to keep costs as reasonable as possible, any abseil cleaning schedule would be reduced to twice a year. The Respondent did not express a preference for either approach, simply noting the respective advantages and disadvantages. Nevertheless, the Tribunal understood that it would have opted for the cheaper arrangement unless the residents expressed a clear preference for the abseil option. The Respondent conducted a survey of residents and explained the options at the Annual General Meeting. The majority opted for the abseil method, despite the additional cost. Many leaseholders did not participate in the survey or make any comments on the proposals. At least for some, such as the Applicant, that lack of engagement was unsurprising as they were not aware of the proposals.

36. Due to the preference expressed by the residents that did comment, the Respondent proceeded with the abseil cleaning method and budgeted accordingly. It tendered for the contract and chose the cheapest proposal. It regularly monitors alternatives to ensure, as far as possible, best value for money. At the conclusion of the hearing, the Tribunal was provided with two alternative quotes that the Respondent had obtained and they showed that the cheapest contractor of the three approached had been engaged.

37. The Respondent indicated that discussion around window cleaning options was ongoing and that it would be very willing to revert to the ground-based method if that was the residents' preference.

38. The Tribunal concluded that the starting point in matters such as this is that the Respondent benefits from considerable management discretion as to the choices it makes. So long as its decisions are reasonable, the Tribunal will not interfere. The Respondent was under no contractual obligation to consult the residents in relation to window cleaning, but chose to do so. No doubt the consultation was not as effective as the parties would have hoped, but the Respondent had to make a decision. There is some onus on a leaseholder to proactively engage with those managing their homes

if they want their views to be taken into account on matters such as this prior to costs being incurred. It will always be more difficult to challenge costs incurred once they have already been paid.

39. The Respondent's decision is plainly open to close scrutiny considering the cost, but the Tribunal was entirely satisfied that it acted reasonably at all times. It did not unilaterally decide to switch methodology without good reason or for improper reasons. It had been made aware that the ground-based cleaning method was ineffective, considered alternatives, was mindful of the cost and put the matter out to consultation. It remained mindful to ensure costs remained proportionate, which is why it would not accept to arrange the abseil clean more frequently than biannually. The Tribunal found this was an admirable approach to leasehold management, the likes of which it witnesses far too seldom.

40. Some discussion at the hearing concerned the precise sums included in the 2024/2025 budget, but the Tribunal accepted that budgets need only be reasonable. They can include reasonable margins to account for potential price increases or unforeseen additional costs, especially when competitor pricing is significantly higher. In this case, the Tribunal understood the overall budget for window cleaning for the year 2024/2025 to be in the region of £45,000, whereas the first of the two cleans in that year costs £21,360. Doubling the latter would equate to £42,720. The Tribunal had been informed that that the price for the year is not fixed but the clean is tendered in advance of every clean to ensure best value. The Tribunal concluded that the budget was plainly within a reasonable range and was payable in full. Naturally, the actual costs incurred will govern the "final" service charge payable, at which point any necessary adjustment will be made.

Costs

41. The Applicant has ultimately been entirely unsuccessful in her application, in the sense that all of her service charges have been found to be payable in full. However, in reality she has succeeded in very large part in the sense that she has been provided with the explanations she has apparently been seeking all along. Perhaps elements of the Applicant's requests had not been understood by the Respondent, or perhaps they had not been communicated effectively to the most appropriate correspondents. Perhaps also communication has been rendered more effective by the relative formality of the Tribunal setting and the focus it inevitably brings to any dispute. Whatever the truth, the Tribunal was entirely satisfied that the application had been brought in good faith with the objective of receiving answers clearly in mind. The schedule of disputed charges was clear about that and it was demonstrated by the Applicant's very sensible concessions made during the hearing. The Applicant clearly

had no intention of bringing proceedings or prolonging matters unnecessarily once she received the answers she was seeking.

42. The Tribunal concluded in these rather unique circumstances that it would be appropriate for the Applicant not to have to bear any of the cost of the litigation herself, by way of administration charge. However, the Respondent's "formal" success should be recognised, although tempered by the fact that it should have been possible for the hearing to have been avoided entirely with a dose of understanding by each party. On that basis, the Tribunal found that it would be just and equitable to allow the application made under section 20C of the Landlord and Tenant Act 1985 in part, with a maximum of 50% of the Respondent's costs capable of being considered relevant costs for the purposes of calculating the Applicant's service charge.

43. The Tribunal determined to make no order as to the reimbursement of Tribunal fees. That was largely because, although it was ultimately via the Tribunal forum that the Applicant received the answers she had been seeking, the Tribunal remains primarily and functionally a dispute-resolution body. Parties must not lose sight of that. Clarification about service charges is a matter which is best dealt with directly between the parties, if necessary with the support of knowledgeable advisors. The Tribunal, although relatively informal and flexible, is not designed for that purpose.

44. Going forwards, the Tribunal very much hopes and expects that the more positive and constructive engagement the parties demonstrated at the hearing will continue and lead to a more settled and harmonious long-term relationship.

Judge M. Hunt

11 February 2026