FIRST-TIER TRIBUNAL
PROPERTY CHAMBER (RESIDENTIAL PROPERTY)

Case reference	**:**	**CAM/00KA/LSC/2025/0636 and 0699**
Property	**:**	**Ceira Court, 40 South Road, Luton LU1 3UD**
Applicant	**:**	**Various leaseholders of flats 2, 3, 4, 5, 6, 10, 11, 12; and of flat 8.**
Representative	**:**	**Mr Ji Hoon Yoon of Curatio Property Services Ltd** **Mr Pericles Nicola and Mrs Eva Klitou**
Respondents	**:**	**Assethold Ltd**
Representative	**:**	**Eagerstates Ltd**
Type of application	**:**	**Application for a determination of liability to pay and reasonableness of service charges**
Tribunal	**:**	**Judge A. Arul** **Michael Ayres FRICS**
Date of hearing	**:**	**13 January 2026**
Date of decision	**:**	**22 January 2026**

DECISION AND REASONS

Decisions of the Tribunal

(1) The Tribunal determines that, for the purposes of section 27A of the Landlord and Tenant Act 1985, the service charges payable for the named flats in the Property in respect of the 2023, 2024 and 2025 service charge years are as set out in this decision and its Annex.

(2) The application for an order under section 20C of the Landlord and Tenant Act 1985 is granted.

(3) The application for an order under paragraph 5A of Schedule 11 to the Commonhold and Leasehold Reform Act 2002 is granted.

(4) The Tribunal makes an order requiring the Respondent to reimburse the Applicants in respect of the Tribunal fees paid by them which are £114 for the owners of flat 8 and to £341 to the owners of flats 2, 3, 4, 5, 6, 10, 11 and 12.

REASONS

The Applications

1. By an application dated 14 March 2025 ("the First Application"), and a further application dated 29 September 2025 ("the Second Application"), the Applicants (being those involved in both applications) seek a determination under section 27A of the Landlord and Tenant Act 1985 ("the Act") as to the liability to pay and reasonableness of service charges for the property known as Ceira Court, 40 South Road, Luton LU1 3UD, ("the Property").

2. The First Application is made on behalf of the owners of flats 2, 3, 4, 5, 6, 10, 11, 12. The details of the owners of each of these flats are set out within the application form. The application relates to the service charge years 2023, 2024 and 2025.

3. The Second Application is made on behalf of the owners of flat 8. The details of the owners of this flat are set out within the application form. The application relates to the service charge years 2024 and 2025.

4. The Applicants also seek an order under section 20C of the Act/paragraph 5A of Schedule 11 to the Commonhold and Leasehold Reform Act 2002 ("the 2002 Act") preventing or limiting the Respondent's ability to seek the costs of these proceedings via a service charge and for their application fees to be reimbursed by the Respondent.

5. On 26 August 2025, the Tribunal gave Directions in the First Application following a case management hearing which had been listed on 14 August 2025 but moved to accommodate the Respondent's dates to

avoid. In the event, the Respondent did not attend the case management hearing. The critical dates in the Directions were for the Respondent to send to the Applicants certain documents relating to ownership of the Property and service charge information by 17 September 2025 and for the Applicants to send to the Respondent a schedule, summary of their responses, copy quotations and any witness statements by 15 October 2025. The Respondent was to annotate the schedule with its comments and serve this along with any supporting documents or statements by 12 November 2025. The schedule to be annotated is the Scott Schedule referred to herein. The Applicants could then, if they wished, send a brief supplemental reply by 26 November 2025. The Applicants were to prepare a bundle for use at the hearing by 3 December 2025.

6. The applicants in the First Application made an application for case management orders on 10 October 2025 asserting non-compliance by the Respondent. In consequence of this application, the Directions were amended on 13 October 2025 and there was adjustment to this timetable, which it is not necessary to repeat herein.

7. The First Application and the Second Application were intended to be heard together on 13 January 2026. The First Application is under case reference CAM/00KA/LSC/2025/0636. The Second Application is under case reference CAM/00KA/LSC/2025/0699. It is not clear whether the owners of flats 1, 7 and 9 are also pursuing applications relating to service charges. The Tribunal panel were provided with advance papers for the First Application only. This was because the Tribunal case officer had not received bundles or any indication that those involved in case reference CAM/00KA/LSC/2025/0699 intended to attend the hearing.

<u>The Hearing</u>

8. The hearing took place remotely using the CVP platform.

9. Mr Yoon attended on behalf of the applicants for the First Application and Mr Nicola and Mrs Klitou attended in respect of the Second Application (relating to their own flat, number 8, only).

10. There was no attendance for the Respondent. The Tribunal case officer attempted to contact the Respondent by telephone on its main office number. The case officer was told that Mr Ronni Gurvits (who had conduct of the matter and who had been involved in all correspondence with the Tribunal on the Respondent's behalf) was not present and his whereabouts were not known. We waited an additional few minutes before commencing the hearing.

11. The Tribunal had not been expecting the Second Application to proceed and heard submissions from the Applicants as to how the hearing should progress. In respect of the Respondent's non-attendance, Mr Yoon and Mr Nicola/Mrs Klitou wished to proceed and we were reminded that the Respondent had not attended the case management hearing despite the date being moved to accommodate its availability. In respect of the

hearing of the Second Application, Mr Nicola/Mrs Klitou had filed an application and supporting documents but not submitted anything further nor any bundle, as they had submitted all that they wished to rely upon. Mr Yoon understandably wished to see a copy of the documents filed by Mr Nicola/Mrs Klitou before commenting upon whether a fair hearing could proceed.

12. The Tribunal therefore took a short adjournment, during which time the Second Application (comprising the application notice and some additional documents in a bundle totalling 90 pages) was emailed to the Tribunal and to Mr Yoon. Mr Yoon provided an electronic copy of the Scott Schedule and official copies for the Property to the Tribunal and these were passed to Mr Nicola/Mrs Klitou.

13. The documents before the Tribunal comprised a bundle from Mr Yoon in relation to the First Application which ran to 805 pages. These included copies of the Scott Schedule annotated only by him for his clients together with service charge budgets, accounts and demands and supporting invoices covering periods from 2020 to 2025. The Tribunal also had the above-mentioned application notice and bundle relating to flat 8, which ran to 90 pages, and the official copies for the Property.

14. There were no witness statements produced by the parties; however the Tribunal took the view that it was not necessary to hear witness evidence given the issues and a fair hearing could proceed on the basis of submissions only.

15. In relation to the issue of the Respondent's non-attendance, the Tribunal was satisfied that due notice of the hearing was given to it. The Tribunal noted that the Directions required the parties to provide dates to avoid by 17 September 2025. The Respondent had emailed the Tribunal on that date at 16.00pm providing links to evidence as required by the Directions (but no statement of case) and included some dates to avoid, including 1-16 January 2026. It was not clear to the Tribunal whether those dates to avoid were overlooked by the case officer, or whether they were considered and Tribunal listing priorities meant that they could not be accommodated. In any event, the Tribunal noted that the case officer had written to the parties on 25 September 2025 confirming the date of hearing. This date had also been confirmed in a letter to the Respondent on 11 December 2025. The Respondent had emailed the Tribunal on 7 January 2026 relating to service of the bundle, and evidence of prior service was provided on 8 January 2026. In the circumstances, the Tribunal took the view that it was appropriate to continue hearing the case. This was in the interests of justice and the overriding objective under Rule 3 of the Procedural Rules e.g., dealing with the case efficiently and proportionately. The Respondent had over three months to state any objection to the listing date, whether or not there had been a Tribunal error in listing on a date to avoid and leaving aside whether it had a right rather than a mere expectation to have a listing around its availability in any event. The Respondent had been in communication with the Tribunal and chosen not to attend. The Tribunal noted that the

hearing on 26 August 2025 had been moved to accommodate the Respondent's availability and they had still not attended. The Tribunal had taken steps to contact the Respondent on the morning of the hearing but to no avail; office staff did not indicate any issues with availability at that time, only that the whereabouts of Mr Gurvits were not known.

16. In relation to the issue of the whether to hear the Second Application, Mr Yoon confirmed, having had a fair opportunity to read the documents provided during the adjournment, that he did not object to it being heard alongside the First Application. Mr Nicola/Mrs Klitou confirmed that they did not wish to rely on any further evidence, other than what was filed with their own application and those documents relied upon by Mr Yoon. The Applicants were keen to continue with the hearing. The Tribunal was satisfied, having had sight of a letter to the Respondent dated 11 December 2025, that the case officer had made clear to the Respondent that both cases would be heard together. As noted above, despite this knowledge, the Respondent had chosen not to attend or file documents in reply. The Tribunal accepted that Mr Nicola/Mrs Klitou had genuinely believed that they did not need to file anything further given their reliance only upon what they had filed with their application. They did not seek to rely on any additional documents at the hearing. There had been some confusion with the case officer taking their silence to mean that they would not attend the hearing. In view of this, and the considerable overlap of issues and documents, the Tribunal considered it appropriate to hear both applications. This was in accordance with the overriding objective of avoiding delay and dealing with cases proportionately. We did not consider that the Respondent would be prejudiced by doing so. The Tribunal had also had sufficient opportunity to read the documents relating to the Second Application and considered there to be sufficient time to deal with the issues before it.

17. The majority of the hearing was therefore spent working through the Scott Schedule. The Scott Schedule covered substantive items for two service charge years, 2023 and 2024. In addition, Mr Nicola/Mrs Klitou had set out item by item challenges with their application predominantly for the 2024 service charge year. The Respondent had failed to comply with the Directions by filing counter arguments in the Scott Schedule or by way of a statement of case. The Tribunal therefore went through each item of challenge in turn and scrutinised the submissions, requiring the Applicants to point to documentary evidence in the bundles where possible.

18. No inspection of the Property was requested, and the Tribunal did not consider that one was necessary to determine the issues.

19. The Tribunal reconvened without the parties on 14 January 2026 to consider the submissions made and extensive evidence which we were referred to.

The Issues

20. The primary issues to be determined in this case were:

    (i) A determination under section 27A of the Act in respect of the service charges payable for the years 2023, 2024 and 2025, in particular whether the relevant charges are payable under the lease(s) and are reasonable; and

    (ii) Whether an order under section 20C of the Act and/or paragraph 5A of Schedule 11 to the 2002 Act should be made i.e., an order to reduce or extinguish the tenant's liability to pay an administration charge in respect of litigation costs; and

    (iii) Whether the fees paid by the Applicants should be reimbursed by the Respondent.

21. A preliminary matter for consideration was the period during which the Respondent owned the Property and whether a right to manage had been granted such that rights to recover service charges were limited. This had been considered during the case management hearing but was an issue which the Tribunal was required to determine because there was some lack of clarity at that time.

The Property and Lease

22. The Respondent is the registered freehold proprietor of the Property and Eagerstates were managing agents. The period of ownership is addressed below.

23. The Property comprises a block of 12 residential leasehold flats, of which each pays the service charge in accordance with a percentage under their lease, which was 8.5%.

24. We were provided with a copy of the lease for flat 6 which is dated 14 September 2015. This lease is between James Christopher Gill and Claire James Gill as the Landlord and Monica Bouic as the Tenant and provides for a term of 125 years from 1 January 2015.

25. It was common ground that the leases for the flats in the Property contained similar provisions to each other.

26. There were no material disputes as to the lease provisions so it is not necessary to set those out in full here. Clause 2.2 deals with the liability of each leaseholder to pay a Service Charge and Insurance Rent in accordance with Schedule 2. Clause 4.4 requires the Landlord to perform the obligation contained in Schedule 1.

27. Schedule 1 includes an obligation on the Landlord to:

    "1. To maintain and keep in good and substantial repair and condition and renew or to replace when required the Main Structure the Common

Parts and any Pipes used in common by the Tenant and other tenants of the Building and which are not expressly made the responsibility of the Tenant or any other tenant in the Building and the boundary walls and fences not included in the lease of any flat in the Building."

...

"5. To employ at the Landlord's discretion a firm of managing agents to manage the Building and discharge all proper fees charges and expenses payable to such agents or such other persons who may be managing the Building including the cost of computing and collecting the Service Charge."

...

"6. To do or cause to be done all works installations acts matters and things as in the absolute discretion of the Landlord may be considered necessary or desirable for the proper maintenance safety amenity and administration of the Building."

...

"8. To set aside such sums as the Landlord reasonably requires to meet such future costs as the Landlord reasonably expects to incur in replacing maintaining and renewing those items that the Landlord has covenanted to replace maintain or renew."

28. Schedule 2 provides a mechanism for the Tenant to pay a sum on account of their Service Charge Percentage of the Annual Expenditure, based on a reasonable estimate, and for reconciliation of any under or over payment after the year end.

29. The defined terms are set out at clause 1 of the leases, including the Services as being those in Schedule 1, the Service Charge as being the Service Charge Percentage of the Annual Expenditure and the latter including costs expenses and outgoings whatever reasonably and properly incurred by the Landlord including VAT thereon. The Financial Year is 1 January to 31 December. As above, the Service Charge Percentage is 8.5% for each flat.

30. The above summarises the central features of the leases and the Scott Schedule helpfully sets out the sums in issue which had given rise to these proceedings. A further analysis is set out below with our findings and reasons.

<u>The Law</u>

31. The law applicable in the present case is as follows:

32. Section 19 of the Act states:

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.

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.*

   ....

33. The Tribunal's jurisdiction to address the issues in section 19 is contained in section 27A of the Act, which states the following:

27A Liability to pay service 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.

(3) An application may also be made to [the appropriate tribunal] for a determination whether, if costs were incurred for services, repairs, maintenance, improvements, insurance or management of any specified description, a service charge would be payable for the costs and, if it would, as to—

(a) the person by whom it would be payable,

(b) the person to whom it would be payable,

(c) the amount which would be payable,

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

(e) the manner in which it would be payable.

(4) No application under subsection (1) or (3) may be made in respect of a matter which—

(a) has been agreed or admitted by the tenant,

(b) has been, or is to be, referred to arbitration pursuant to a post-dispute arbitration agreement to which the tenant is a party,

(c) has been the subject of determination by a court, or

(d) has been the subject of determination by an arbitral tribunal pursuant to a post-dispute arbitration agreement.

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

34. In construing the meaning of words used in the leases, the Tribunal is concerned to identify: *"What a reasonable person having all the background knowledge which would have been available to the parties would have understood them to be using the language in the contract to mean"*. In making this determination the Tribunal must focus: *"on the meaning of the relevant words…in their documentary, factual and commercial context."* (Lord Neuberger in the case of *Arnold v Britton* [2015] UKSC 36 at [15]).

The parties' submissions and the Tribunal's determination

35. The Tribunal is required to determine the question of what a fair sum of service charge should be for each flat in the First Application for each of the 2023, 2024 and 2025 service charge years and for flat 8 in respect of the Second Application for the 2024 and 2025 service charge years. Mr Nicola/Mrs Klitou were reminded at the hearing that any determination in respect of the 2023 service charge year would not be binding upon them or the Respondent in respect of flat 8, albeit it may well assist any future discussion or be evidence they would wish to adduce in any future tribunal or court proceedings.

36. The Applicants' respective positions were set out in the Scott Schedule and elaborated upon in the Second Application and in the statement of case for the First Application as well as in oral submissions.

37. The first preliminary point we had to consider was the ownership of the Property, in respect of which we had the benefit of the official copies showing an extract from the Land Registry. Pursuant to section 58 of the Land Registration Act 2002 we were entitled to take the entries on the register as conclusive. These show that the Respondent was registered as the proprietor on 18 June 2024 following a transfer dated 8 November 2023. We therefore find that the ownership of the Respondent for the purposes of the leases took effect from 8 November 2023.

38. The second preliminary point was when the Respondent's right to manage the Property ceased. Whilst it continues to own the freehold interest in the Property, we were shown a copy of the decision of Regional Judge Wayte sitting in the First-Tier Tribunal (Property Chamber) on 8 July 2025 under case reference CAM/00KA/LRM/2024/0602 . This decision determined the application relating to Ceira Court Luton RTM Company Limited under section 84(3) of the Commonhold and Leasehold Reform Act 2022. This decision was that the aforementioned RTM company acquired the right to manage as at 22 September 2024. We were not aware of, nor directed to, any variation or revocation of that decision nor any pending appeal. On this basis, we considered that the right to manage for the Respondent ceased on 22 September 2024.

39. In view of our findings on the preliminary points, the Respondent is only entitled to levy service charges under the leases between 8 November 2023 and 22 September 2024. We find that there is no legal obligation for the Respondent to undertake services under Schedule 1 of the leases nor any right to levy a Service Charge under Schedule 2 outside of these dates. This means that any claims for service charges outside of these dates are not payable under the leases and any which cover a period including but not limited to those dates would require pro-rating.

40. The Annex attached sets out our decision on the sums it would be reasonable to budget for in each of the 2023, 2024 and 2025 service charge years in the context of the above matters and we find accordingly. In summary, the budgets shall be:

(a) 2023: this relates to the First Application only – total **£11,007.30**.
(b) 2024: this relates to the First Application and the Second Application – total **£18,421.57**.
(c) 2025: this relates to the First Application and the Second Application and no service charges are payable given our findings on the preliminary issues – total **£0**.

41. In relation to the applications under section 20C of the Act and paragraph 5A of Schedule 11 to the 2002 Act, the Applicants invited us to restrict the ability of the Respondent to recover costs related to these proceedings via a service charge. The Respondent had provided no indication that it intended to levy such costs nor opposed the application. We were mindful that the ability to recover costs via a service charge was limited in a practical sense given the decision permitting a right to manage from 22 September 2024. However, we were informed by Mr Nicola/Mrs Klitou that they were still receiving service demands for future periods despite some 15 months having elapsed. We therefore considered it appropriate to make an order for the avoidance of any doubt. In our view, there are considerable reductions necessary to the service charges claimed and the Applicants had brought the challenges appropriately. We find that it is just and equitable to make an order under section 20C of the Act and paragraph 5A of Schedule 11 to the 2002 Act in respect of any costs incurred in these proceedings.

42. The Applicants sought reimbursement of the Tribunal fees paid. We were told that this was two application fees of £114 and a hearing fee of £227. We considered that it was reasonable for the Applicants to bring these proceedings and noted the Respondent's failure to attend the case management hearing and the final hearing, its failure to file a statement of case and its failure to complete the Scott Schedule. The completion of the Scott Schedule and provision of some missing documentation from the bundles, as well as its attendance and cooperation generally, would have greatly assisted us and save time. We therefore consider it just to order that the Respondent should reimburse the fees incurred in the total sum of £341 for the First Application and £114 for the Second Application.

Name: **Judge A. Arul** **Date:** **22 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).