



FIRST-TIER TRIBUNAL
PROPERTY CHAMBER
(RESIDENTIAL PROPERTY)

Case Reference : MAN/00DA/LSC/2024/0260

Property : 1-12 and 14-31 Holmwood, 21 Park Crescent Leeds, LS8 1DH

Applicant : Gillian Dyke and other long leaseholders

Representative : Iain Longstaff

Respondent : P.A.S. Property Services

Representative : Cassandra Zanelli

Type of Application : Landlord & Tenant Act 1985-Section 27A
Landlord & Tenant Act 1985-Section 20C
Commonhold and Leasehold Reform Act 2002-Schedule 11, Paragraph 5A

Tribunal Members : Tribunal Judge J. E. Oliver
Tribunal Member A. Davis

Date of Determination : 13th August 2025

Date of Reasons : 6th September 2025

DECISION

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Decision

1. The management fees and the management licence fee/rent for 2017-2022 inclusive are reasonable and payable.
2. No order is made pursuant to paragraph 5A of the Commonhold and Leasehold Reform Act 2002.
3. No order is made pursuant to Section 20C of the Landlord and Tenant Act 1985.

Reasons

Introduction

4. This is an application by Gillian Dyke and other long leaseholders of 1-14 and 14-31 Holmwood and 21 The Crescent, Leeds ("the Applicants") for a determination of the reasonableness and payability of the service charges relating to those properties ("Holmwood") for the years ending 31st March 2017-2022 inclusive, pursuant to section 27A of the Landlord and Tenant Act 1985 ("1985 Act"). The application is made for a determination of the Management fee and the Management Licence Fee; none of the other charges for those years are in dispute.
5. The application includes an order relating to administration charges pursuant to the Commonhold and Leasehold Reform Act 2002, Schedule 11, Paragraph 5A ("2002 Act"). It was agreed at the hearing that no such charges have been made and a determination upon this issue is not required.
6. The Respondent to the application is the Landlord, P.A.S Property Services Limited ("the Respondent").
7. A Case Management Conference was held on 21st February 2025 and directions issued on 25th April 2025, providing for the filing of statements and bundles and thereafter for the matter to be determined at a hearing. At the CMC the Tribunal allowed the original application to be amended and for a claim for damages made within the original application to be removed.
8. The application was heard remotely on 13th August 2025. At the hearing the Applicants were represented by Iain Longstaff, a lay representative who advised he had previous experience of proceedings in the Tribunal. The respondent was represented by Cassandra Zanelli, a solicitor.

The Law

9. Section 27A(1) of the Act provides:
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,
 - (e) the manner in which it is payable.
10. The Tribunal has jurisdiction to make a determination under section 27A of the Act whether or not any payment has been made.

11. The meaning of the expression "service charge" is set out in section 18(1) of the Act. It means:
- ...an amount payable by a tenant of a dwelling as part or in addition to the rent-*
- (a) which is payable, directly or indirectly, for service, 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*
12. In making any determination under section 27A, the Tribunal must have regard to section 19 of the Act, subsection (1) of which provides:
- Relevant costs shall be taken into account in determining the amount of a service charge payable for a period-*
- (a) only to the extent they are reasonably incurred, and*
- (b) where they are incurred on the provision of services or the carrying out of works, only of the services or works are of a reasonable standard and the amount payable shall be limited accordingly.*
13. "Relevant costs" are defined for these purposes by section 18(2) of the Act as:
- 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.*
14. Section 27A (4) states that no application can be made to a Tribunal in respect of matters that have been agreed or admitted.
15. Section 27A(5) thereafter provides that:
- "But the tenant is not to be taken to have agreed or admitted any matter by reason only of having made any payment".*
16. Section 20C of the 1985 Act provides that a tenant may apply for an order that any costs incurred by a landlord in connection with proceedings before a First-tier tribunal are not to be regarded as relevant costs when determining the service charge. If such an order is made the Landlord cannot recover those costs within the service charge.

The Lease

17. The Tribunal was provided with a sample lease for Holmwood, being Plot 19 and dated 14th April 1989.
18. Clause 4.2 provides:

" To pay one thirtieth (1/30th) part of the expenses and outgoings incurred by the Landlord in the repair maintenance and insurance of the Estate (including the House Manager's flat) and provision of services including staff costs and including the fees of its Managing Agents and Accountants and any other professional persons plus value added tax (if applicable) (herein called the Service Charge)" being calculated and payable in accordance with the following terms and conditions ..."

Clause 4.2.3 provides:

"For the avoidance of doubt it is expressly agreed the Landlord has the right

- (1) *To appoint Managing Agents to carry out the Landlord's obligations to repair maintain and insure hereunder and that the fees of such agents shall be included in the Service Charge, or*
- (2) *To act a Managing Agent as aforesaid and to include in the Service Charge its costs and overheads of so acting."*

Hearing

19. Holmwood is a development of 30 flats for the over 50's. It also has a flat for the house manager, a guest room, kitchen and communal laundry facilities. There is a conservatory and lounge for use by the leaseholders, car parking and gardens.
20. The Respondent, through Accent and Domus had managed Holmwood following an agreement dated 8th April 2009. This had been for an initial term of 5 years but had continued on a year-to-year basis until 2022 when the leaseholders formed a RTM company and thereafter assumed management of Holmwood.
21. Mr Longstaff stated the Respondent is a company with 2 directors both of whom are also directors of Coppen Estates. Both those companies use the same managing agent, Accent Housing. In turn, Accent Housing has a subsidiary, Domus Services who was responsible for the provision of services at the Property. In 2024 Domus Services became part of the Accent Group.
22. Mr Longstaff submitted that due to the structure of the management, oversight and supervision was inadequate. He mentioned comments made in the House of Commons regarding the companies and other developments had formed RTM companies to enable a change of management from Domus.
23. The Tribunal was referred to the condition of the conservatory which is in a severe state of disrepair, such that it cannot be used. There had been no regular maintenance to it, as required by the Lease. Further, any repairs that had been carried out were inadequate. It was said repairs to the glass roof had been effected using duct tape and wood filler. Repairs had not been carried out to a step and there had been no internal decorations. The floor was rotten and was unsafe. Such works that had been carried out had been done by the then housekeeper's husband and were of poor quality. The costs of remediation were now much higher due to the neglect over many years. This had placed a financial burden upon the leaseholders.

Management Fee

24. The costs in dispute for the relevant period are:
- a. Year ending 31st March 2017-£13,216.90
 - b. Year ending 31st March 2018-£12,600
 - c. Year ending 31st March 2019 -£12,599.98
 - d. Year ending 31st March 2020- £12,600
 - e. Year ending 31st Marh 2021 -£10,800
 - f. Year ending 31st March 2-22 -£10,800.

25. The Applicants agreed the issue was not the payability of these payments, but the amount. It was proposed the management fee for each year should be reduced by 60%.
26. The Applicants referred the Tribunal to other cases involving the Respondent or Domus where there has been criticism of *"excessive fees and poor performance"*.
27. The Applicant criticised the outsourcing of the services stating this allowed for contractors to undertake works without adequate supervision. Here reference was made to Lambert Court, Buckingham Court and Bishophill Senior, York v Accent Housing Limited [MAN/OOFF/LSC/2021/0079] where the Tribunal had criticised commented on repair costs and recommended Accent should review:

"it's policies and procedures and ensure that monies spent on behalf of its residents are properly incurred".
28. The Tribunal was referred to the system for reporting faults at Holmwood. Mr Longstaff submitted the system used, called *"Rant and Rave"*, was evidence of poor management. It was the tenant's responsibility to report faults, rather than Domus being proactive in the management of Holmwood. There was nothing in place to check the performance of Domus's management by Accent or the Respondent.
29. The Respondent had a set management fee for Holmwood that commenced in 2017. The Tribunal was advised this was calculated on the management fee for Accent's entire portfolio. It manages over 20,000 properties over a large number of sites. The fees are tiered, and the Properties were in Tier 5. This equated to £420 per leaseholder between 2107-2020 and reducing to £360 per leaseholder for 2020-2022. It was said the sum was capped at £430 per leaseholder in accordance with the Leasehold Scheme for the Elderly in 2017/2018.
30. The Tribunal was referred to Howe Properties v Accent Housing [2024] EWCA Civ 29 where the Court of Appeal found that management fees must relate to the actual costs of individual estates and should not be calculated from the entire property portfolio. This was not provided for by the terms of the leases. Mr Longstaff submitted the terms of the leases for Holmwood were in similar terms and therefore Howe Properties applied here.
31. Miss Zanelli submitted there was a distinction in Howe Properties such that it did not apply. In that case Accent Housing was the landlord of the properties, whilst here, Domus was instructed as the Respondent's managing agent. Holmwood was not part of Accent's housing stock of over 20,000 properties and the tiered system did not apply. It was said there was nothing within that judgement to suggest the tiered system applied to those properties managed by Domus. Further, the Court did not comment upon the level of the management fee charged, only the methodology in calculating it. It was confirmed the management fee was calculated only in respect of Holmwood and not in reference to any other housing.
32. Miss Zanelli challenged the submissions made regarding the *"Rant and Rave"* system suggesting it showed a proactive engagement with the leaseholders to deal with the issues of repairs and faults.
33. It was said the reference to the conservatory and the damage caused to it by the alleged lack of repair was outside the Tribunal's jurisdiction. The original

application had contained a claim for damages for this and at the CMC it had been agreed this would be withdrawn.

34. It was further submitted that costs had been incurred in the repair of the conservatory, and those costs had not been challenged within the application.
35. It was said that although the Applicants were challenging the management fee, no comparable evidence had been adduced to show they were unreasonable.

Management Licence Fee

36. The Applicants referred to this charge as it was described in the service charge accounts, but it was accepted at the hearing the issue was the rent paid for the House Manager's flat. As such, the Tribunal did not need to consider further arguments that had been put forward in written submissions as to whether the matter fell within the Tribunal's jurisdiction.
37. The Tribunal was referred to Clause 4.2 of the Lease that provides for the provision of a House Manager.
38. Mr Longstaff submitted Clause 4.2.2 does not provide any clear provision for the recovery of rent for use of the flat by the House Manager; the payment of rent is simply profit-making by the Landlord. There was no evidence of the appropriate market rent for the flat and it should therefore be repaid to the leaseholders in full.
39. A comparison was provided by the Applicants for the increase of rent when compared to the RPI, showing a much lower increase by the former method than the latter.
40. Miss Zanelli submitted Clause 4.2.2. did provide for the payment of rent. Each leaseholder covenanted to pay their share of the service charge as described, including "staff costs". A House Manager is a staff cost as is the provision of accommodation and, consequently, the rent is recoverable as a service charge.
41. The flat in question is retained by the Respondent and the rent paid is part of the staff package as is the payment of the utility bills. This accords with Clause 6.8.1. where the Respondent covenants to provide a House Manager.

Determination

42. The Tribunal noted that when considering the reasonableness and payability of any service charge, it must consider whether the charge is both reasonable and reasonably incurred.
43. The Tribunal considered *Forcelux Ltd v Sweetman [2001] 2EGLR 173*. In his decision Mr Peter Francis said as follows:

"The question I have to answer is not whether the expenditure for any particular service charge was necessarily the cheapest available, but whether the charge that was made was reasonably incurred. But to answer that question, there are, in my judgment, two distinctly separate matters I have to consider. First, the evidence, and from that whether the landlord's actions were appropriate, and properly effected with the requirements of the lease, the RCIS Code and the 1985 Act. Second, whether the amount charged was reasonable in the light of that evidence."

44. In their submissions to the Tribunal, the Applicants referred the Tribunal to Howe Properties which determined the method adopted by Accent Housing to calculate its service charge by reference to its overall housing stock was incorrect. The proper approach was to calculate a service charge from the expenses relating to individual developments. It was confirmed the latter was the methodology applied in Holmwood. In those circumstances the Tribunal does not find the management fee to be inherently wrong in how it has been calculated, although the issue of reasonableness remains.
45. When considering the issue of reasonableness, the Applicant has suggested the fees should be reduced by 60%. This was due to a number of factors, including the poor management and supervision at Holmwood and reference to the reputations of the Respondent, Accent and Domus.
46. It was for the Applicant to show those charges to be unreasonable and had failed to do so. The application did not challenge any of the charges for other services provided by the Respondent to show those had not been managed properly. Whilst the Applicant suggested the leaseholders were subject to "*inefficient management practices*", no evidence was given to support this, other than the matter of the conservatory.
47. The Tribunal noted the comments made regarding the reputations of the Respondent and ancillary companies, but there was no evidence brought before the Tribunal to show this was relevant.
48. The Tribunal noted it was not provided with evidence to show what management charges for a similar development to Holmwood were, to support the argument the charges made were excessive. In those circumstances the Tribunal relied upon its own knowledge and expertise and determined the charges for the disputed years were reasonable and payable.
49. In reaching this decision, the Tribunal considered the submissions made regarding the conservatory and the suggestion the lack of maintenance by the Respondent had placed a financial burden upon the Applicants. The Tribunal considered this to a reference to the claim for damages contained within the first application which was removed. The Tribunal does not have the jurisdiction to determine such an application.
50. The Tribunal further noted the Respondent had expended monies on the repairs for the conservatory, but no submissions were made regarding the reasonableness of those costs.
51. The Tribunal then considered the payability and reasonableness of the Management Licence Fee which was agreed to be the rent payable for the House Manager's flat. The Applicant argued there was no provision for the payment of rent within the Lease. The Tribunal found the payment of rent was for the House Manager's occupation of the flat retained by the Respondent. It accepted it was a staff cost falling within Clause 4.2.3 of the Lease and therefore payable as a service charge.
52. The amount of the rent was challenged by the Applicant. The Tribunal noted the rent for 2017-2018 was £5850 per annum, equivalent to a monthly rent of £487.50 rising to an annual rent in 2021-2022 of £7800 equivalent to a monthly rent of £650. The Tribunal acknowledged the calculations made to show the uplift in the actual rent when compared to an increase utilising RPI. However, this is not a basis to value a market rent for a property, but a comparable with similar properties in the Leeds area, none of which was provided to the Tribunal. Accordingly, the Tribunal had to rely upon its own

knowledge of the rental market and, in doing so, does not find the rent paid, for the disputed years, to be unreasonable.

53. The Applicant agreed there were no identifiable costs to fall for consideration under paragraph 5A, Schedule 11 of the Commonhold and Leasehold Reform Act 2002 and no order is therefore made in respect of that part of the application.
54. The Tribunal further considered the application for an order pursuant to section 20C of the 1985 Act. It noted the Applicants had not succeeded in any part of their application and therefore no order is made.