



**FIRST-TIER TRIBUNAL
PROPERTY CHAMBER
(RESIDENTIAL PROPERTY)**

Case reference : **LON/00AB/LSC/2025/1054**

Property : **29 Minter Road, Barking Essex, IG11
0TH**

Applicant : **Anuj Saboo**

Representative : **In Person**

Respondent : **Adriatic Land 3 (GR1) Limited**

Representative : **Ms A Hogarth (Counsel)**

Type of application : **For the determination of the liability to
pay service charges under section 27A of
the Landlord and Tenant Act 1985**

Tribunal members : **Mr A Harris LLM FRICS
Mr P Joseph MRICS**

Venue : **10 Alfred Place, London WC1E 7LR**

Date of decision : **11 March 2026**

DECISION

Decisions of the tribunal

- (1) The tribunal makes the determinations as set out under the various headings in this Decision.
- (2) The tribunal determines that the cost of energy use by the district heating scheme is not recoverable under the service charge. The tribunal also determines that the cost of maintenance of the district heating scheme is not recoverable under the terms of the service charge.
- (3) The tribunal determines that administration fees of £50.00 are not payable.
- (4) The tribunal makes an order under section 20C of the Landlord and Tenant Act 1985 so that none of the landlord's costs of the tribunal proceedings may be passed to the lessees through any service charge.
- (5) The Tribunal makes an order under Sch 11 Para 5 of the Commonhold and Leasehold Reform Act 2002 that none of the landlords' legal costs may be recovered as an administration charge under the subject lease.
- (6) The tribunal determines that the Respondent shall pay the Applicant £341.00 within 28 days of this Decision, in respect of the reimbursement of the tribunal fees paid by the Applicant.

The application

1. The Applicant seeks a determination pursuant to s.27A of the Landlord and Tenant Act 1985 ("the 1985 Act") and Schedule 11 to the Commonhold and Leasehold Reform Act 2002 ("the 2002 Act") as to the amount of service charges and administration charges payable by the Applicant in respect of the service charge years 2021-2025.

The hearing

2. The Applicant appeared in person at the hearing and the Respondent was represented by Ms A Hogarth of counsel.

The background

3. The property which is the subject of this application is a terraced house.
4. Neither party requested an inspection and the tribunal did not consider that one was necessary, nor would it have been proportionate to the issues in dispute.

5. The Applicant holds a long lease of the property which requires the landlord to provide services and the tenant to contribute towards their costs by way of a variable service charge. The specific provisions of the lease will be referred to below, where appropriate.

The issues

6. The application and the Applicant's case raises 3 issues to be determined. Firstly the payability or reasonableness of charges for energy consumption apportioned to the subject property and secondly the payability of maintenance charges for the district heating scheme. Also whether a s20 consultation under the 1985 Act should have been carried out for the maintenance contract.
7. In reply the Respondent accepted that the energy consumption of the district heating scheme and provision heating and hot water to the Applicant was not recoverable under the service charge. The originally claimed administration charges for recovery of those sums was withdrawn and reduced to £50.
8. At the start of the hearing the parties identified the relevant issues for determination as follows:
 - (i) The payability and/or reasonableness of service charges for maintenance of the district heating scheme
 - (ii) Administration charges of £50.
9. Having heard evidence and submissions from the parties and considered all of the documents provided, the tribunal has made determinations on the various issues as follows.
10. The lease is dated 4 August 2014 and is for a term of 999 years less 10 days from 10 June 2013

Definitions

11. **“Estate Communal Areas”** means (if any) the accessways, footpaths, garden areas refuse stores and cycle stores and other external communal areas of the Estate from time to time including any Service Installations not forming part of any Dwelling or the Internal Common Parts or included within the demise or transfer of any Building or part thereof
12. **“Estate Service Charge Costs”** means the moneys actually expended or reserved for periodical expenditure by the Landlord or the Manager on its behalf at all times during the Term in carrying out the obligations specified in Schedule Eleven

13. **Maintained Property**” means the Estate Communal Areas (excluding the CIC Areas) and gates to the same (if any) the main structure of the Buildings including the roofs gutters rainwater pipes foundations floors and walls bounding individual dwellings therein and all external parts of the Buildings including all structural parts of the balconies of the Buildings (if any) together with all decorative parts and the structure and exterior of the Internal Common Parts of the Buildings and which is intended to be managed by the Manager for the benefit of the Dwellings subject to any regulations or restrictions imposed by the Landlord and/or the Manager
14. **Service Installations**” means and includes all pipes cables wires ducts pumps drains soakaways sewers gutters and other conduits constructed in over or on the Estate for the supply and removal of air water soil gas electricity telephone and communal satellite and any other services to and from the Dwellings and any other buildings on the Estate and shall include any equipment or apparatus installed for the purpose of such service or supply
15. **Schedule 3 Tenants Covenants**
16. Part 2B (1) To bear and pay such proportionate part as may be determined by any local or other statutory authorities or by the Landlord of the cost of maintaining replacing renewing inspecting and cleansing the Service Installations used by the Tenant in common with the Landlord and any other persons who are now or may hereafter be entitled to connect with or use the same or any of them
17. **Schedule 11 The Estate Service charge costs Part A Estate Costs**
18. 1.2 The repair and replacement from time to time and wherever necessary of the pipes wires cables stand pipes and all other types of Service Installations and related apparatus for the supply of gas electricity water and other services to the Estate Communal Areas (excluding the CIC Areas)
19. **Background to the dispute**
20. At page 106 of the bundle is a letter written by RMG the managing agent dated 3 December 2020. The original heating installation did not work correctly. This was installed by the original operator who was responsible for the design, installation, maintenance and billing of heating costs who went into liquidation in 2017. As the original installer of the equipment went into liquidation, the heat agreement came to an end. It does not appear to have been replaced. Instead the Respondents have sought to recover the costs through the service charge.

21. The FTT in a decision dated 7 September 2021 in case reference LON/00AB/LSC/2021/0044 (the FTT 2021 decision) held that the lease in that case, of a flat in this development, and written in similar terms contained no obligation on the landlord to provide heating and there was no obligation in the lease for the tenant to pay for the same. The tribunal found that the provision heating is outside the lease as currently drafted and is not a service charge item within the meaning of section 18 of the Landlord and Tenant Act 1985.
22. **Heating system maintenance charges £2967.45**

The tribunal's decision

23. The tribunal determines that maintenance costs of the heating system are not recoverable under the service charge provisions of the lease.

Reasons for the tribunal's decision

24. The Applicant relies on the FTT 2021 decision where the tribunal were unable to identify any relevant clauses covering heating costs. In particular there was no obligation on the landlord to provide heating nor was the tribunal able to identify any corresponding obligation on the tenant to pay for the same.
25. By withdrawing the claim for heating costs the Respondent appears to accept this.
26. Although, strictly speaking, the claim for heating costs is no longer before the tribunal we agree with the 2021 decision for the reasons set out in that decision.
27. As with the 2021 tribunal we were unable to identify any clauses in the lease which refer to heating. If there is no obligation on the landlord to provide heating and no obligation for the tenant to pay for it within the lease, it is difficult to see why the tenants should pay for maintaining equipment to provide a heating service.
28. The passage quoted above in paragraph 20 shows that there was a separate heating agreement which presumably covered these issues.
29. For the Respondent it was argued that there was a difference between heating costs for fuel and maintenance costs of the system. The Respondent argued that clause 1.2 of part a of the 11th schedule covered maintenance of the system, but as this clause refers to services to the Estate Communal Areas the tribunal did not consider this argument to be correct. The Estate Communal Areas is a defined term referring to

external space and it is difficult to see why those areas would need a district heating scheme.

30. The Respondent also sought to rely on the clause from the 3rd schedule set out in paragraph 19 above. This refers to the cost of maintaining Service Installations, which is a defined term, used by the Tenant in common with the Landlord. The definition of Service Installations does not refer to heating at all. The tribunal does not consider that the phrase “any other services“ is apt to cover something as major as a district heating scheme.

Reasonableness

31. As the tribunal has found that the cost of maintenance of the district heating scheme is not payable under the terms of the lease it is not strictly necessary for us to consider reasonableness Under section 19 of the 1985 Act.
32. The method of apportionment is said to be based on EPC certificates and as these are not before the tribunal, and the methodology has not been explained the tribunal is unable to make any findings on this. The evidence was that heating charges were originally billed on a metered basis until various meters broke down. However the fuel charges are not before this tribunal.

Section 20 consultation

33. The Applicant raises the issue as to whether the contractor used to maintain a district heating scheme was appointed under a Qualifying Long Term Agreement (QLTA) or on a series of agreements each for less than one year. As the tribunal has found that maintenance costs are not recoverable as a service charge item it is not strictly necessary for us to deal with this issue but we do so for the sake of completeness in dealing with the arguments raised by the Applicant.
34. The Respondent’s witness, Mr Binyon gave evidence that the maintenance contractors were appointed under a series of contracts for less than one year. The contracts themselves were not in evidence. The contract was for an annual sum billed monthly and for the Respondents it was argued that as each of the monthly instalments was below the consultation threshold under section 20 of the 1985 Act it was not necessary to consult. It was further argued that the most recent contract was awarded following a competitive tender and that the Respondent considered there was no prejudice to the leaseholders.
35. Where costs are over the threshold of £250 per leaseholder, section 20 requires either consultation or dispensation to be obtained from the tribunal. The relevant test for dispensation is whether the leaseholders

are prejudiced by the failure to consult. That is a decision for the tribunal not for the landlord.

36. The purpose of consultation is so that the leaseholders are aware of costs which are being incurred for which they will have to pay and to give them the opportunity to nominate alternative contractors. In this case the tribunal considers that the leaseholders were prejudiced by the failure to consult as they do not appear to have been advised that contracts were being re-tendered or of the results of those tenders. They were simply expected to pay for whatever contracts the Landlord put in place. The Applicant requested details of the system and maintenance requirements but this was not supplied.

Application under s.20C and Schedule 11 and refund of fees

37. In the application form, the Applicant applied for an order under section 20C of the 1985 Act and under Schedule 11 of the 2002 Act. Having heard the submissions from the parties and taking into account the determinations above, the tribunal determines that it is just and equitable in the circumstances for an order to be made under section 20C of the 1985 Act and schedule 11 of the 2002 Act, so that the Respondent may not pass any of its costs incurred in connection with the proceedings before the tribunal through the service charge.
38. The tribunal determines that the Respondent shall pay the Applicant £341.00 within 28 days of this Decision, in respect of the reimbursement of the tribunal fees paid by the Applicant.

Name: A Harris

Date: 11 March 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).