



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

Case reference : **LON/00BD/LSC/2025/1098**

Property : **Blocks A to D, Rivermead Close,
Teddington, TW11 9NL**

Applicant : **Rivermead Close (A to D) RTM
Company Limited - acting on behalf of
leaseholders in Blocks A to D at
Rivermead Close, Teddington, TW11
9NL (full list attached as Schedule 1 to
the application)**

Representative : **Mr S Foster & Mr G Brannan (Directors)**

Respondent : **(1) Parkway Global Limited (2) Chelsea
Heritage Limited**

Representative : **(1) Dr S Choudhury (2) Mr S Islam**

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
Ms C Barton MRICS**

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

Date of decision : **24 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 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.

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 (where applicable) administration charges payable by the Applicant in respect of the service charge years 2023, 2024 and 2025.

The hearing

2. The Applicants were represented by two Directors Mr S Foster and Mr G Brannan at the hearing and the 1st Respondent was represented by Dr S Choudhury and the 2nd Respondent by Mr S Islam.

The background

3. The property which is the subject of this application is a purpose-built residential development comprising four blocks (A–D) containing 51 leasehold flats (studio, one, two and three-bedroom units) and associated communal areas. The management of Blocks A to D is undertaken by RTM company with the management of the grounds and remainder of the estate retained by the 1st Respondent who has appointed the 2nd Respondent as its managing agent. The dispute has arisen over the transfer of funds to the RTM company.
4. There is a further block, E, which is in a separate freehold ownership but which contains the concierge office which features heavily in this case. The concierge office is held on a long lease by the 1st Respondent (the Block E lease). Block E also benefits from services and contributes to the cost but is not directly concerned in this case. The tribunal was advised that a separate application had been made to the tribunal to modify the terms of this lease with the case due to be heard later this year.
5. 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.

6. The Applicants hold long leases of the flats which require 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 and will be referred to below, where appropriate.

The issues

7. 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
 - (ii) 2023 relating to the Concierge's salary
 - (iii) 2024 Concierge office rent deposit and rent and Concierge salary
 - (iv) 2025 Concierge office rent and salary
8. In a Skeleton argument, Dr Choudhury for the 1st Respondent stated that the office rent deposit had been refunded to the service charge account in February 2026 although the tribunal saw no documentary evidence of this repayment.
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.

Concierge office rent 2024 and 2025 £12750 pa

The tribunal's decision

10. The tribunal determines that the rent payable from the service charge account for blocks A-D of £12,750 pa is not payable for the years in question.

Reasons for the tribunal's decision

11. The concierge office forms part of block E which is in separate freehold ownership. The office is held on the Block E lease by the 1st Respondent for a term of 999 years from 30 June 2020 at an annual rent of a peppercorn, if demanded. An insurance rent is also payable. The permitted use is as a concierge unit and post box room or such other use to which the landlord has given consent, not to be unreasonably withheld. The tenant must pay all rates and taxes and reimburse the landlord for utilities consumed at the property. The letting or sharing of the property is not permitted. Assignment is permitted provided that the

assignee is also simultaneously acquiring interest in the whole of Rivermead Close.

12. By what is termed a short-term commercial lease the 1st Respondent has purported to let the office to the 2nd Respondent for a term beginning on 2 January 2024 and ending on 31 December 2024 at a commencing rent of £12,750 per year. The term will be also renewed each year subject to at least one month's notice of cancellation. The rent will increase each year by 5% or the RPI whichever is higher.
13. Under the provisions of the Block E lease only a peppercorn rent is payable to the freeholder of block E. It follows therefore that no cost has been incurred by the 1st Respondent as a rental payment so that there is no rent to be recovered via the service charge of the individual flats in Blocks A to D.
14. The 1st Respondent argues that the residential leases provide for security, reception and management services and recovery of their associated costs within the maintenance expenses. This is not disputed by the Applicants. The 1st Respondent argued that the rental charge was in anticipation that costs could become payable to the freeholder of block E under the Block E lease.
15. Within the individual leases of flats in blocks A to D the concierge office is not referred to in the definition of Common Parts. In the definition of Communal Areas there is reference to facilities (including any concierge facilities) and other parts of the Estate not forming part of the Common Parts. The concierge office is not referred to by name in Schedule 4 Maintained Property although this does refer to those parts of the Estate the maintenance of which is the responsibility of the Landlord.
16. In Schedule 5, Landlord's Obligations the Landlord is to perform carry out and provide such works services and amenities in connection with the Residential Buildings and the Estate including security reception cleaning and maintenance services as the landlord decides provided they are deemed by the landlord to be the best interests of the residents of the Estate as a whole. The landlord may also employ such persons as the Landlord makes absolute discretion consider desirable or necessary... for the proper management or security of the Residential Buildings and the Estate.
17. Schedule 6 defines the Maintenance Expenses and is concerned with recovery of costs incurred by the Landlord. As no cost has been incurred by the 1st Respondent as rent there is no expense to be recovered.

Concierge salary 2024 and 2025

18. In challenging this expenditure the Applicant has taken as a starting point costs in the 2023 accounts of £32,584. They say that the increase to 2024 to £41,567 is excessive as is the further increase in 2025 to £44,500. The Applicant says that the Office for National Statistics shows that the average rate of increases in 2024 including National Insurance was 4.6% and in 2025, 3%.
19. In reply the 1st Respondent stated that the concierge is 55 years old and started at the development 11 years ago on a salary of £26,000. For most of the time since then the estate was in insolvency and pay increases had been minimal. The 1st Respondent took responsibility for the concierge under a TUPE arrangement when they bought the Estate.
20. The 1st Respondent stated that the gross salary paid to the concierge in 2023 was £28,406. Added to that are employer costs of National Insurance payments pension costs and administration/payroll costs taking the total cost of employing the concierge to £35,630.
21. For 2020 for the gross salary was increased to £31,000 taking the total employment cost to £37,000 and for 2025 the basic salary was increased again to £35,000 taking the total employment cost to £44,500. From these figures needs to be deducted the contribution made by block E of £1,654 for 2023, £1,713 for 2024 and £2,060 for 2025.
22. The current salary for the concierge equates to £16.82 per hour which is above the London living wage to which must be added normal employer's additional costs of employer's National Insurance, pension auto enrolment and payroll administration. Agency rates for holiday cover are around £35 per hour.

The tribunal's decision

23. The tribunal determines that the amount payable in respect of concierge employment costs is £37,000 for 2024 and £44,500 for 2025.

Reasons for the tribunal's decision

24. The Upper Tribunal in *Forcelux v Sweetman* [2001] 2 EGLR 173 said at paragraph 39

“the question I have to answer is not whether expenditure for any particular service charge item was necessarily the cheapest available, but whether the charge that was made was reasonably incurred”

25. In *London Borough of Hounslow v Waaler* [2017] EWCA Civ 35 at paragraph 37 Lord Justice Lewison said

“In my judgment, therefore, whether costs have been reasonably incurred is not simply a question of process: it is also a question of outcome. That said it must always be borne in mind that where the landlord is faced with a choice between different methods of dealing with a problem in the physical fabric of a building (whether the problem arises out of a design defect or not) there may be many outcomes each of which is reasonable. I agree with Mr Beglan that the tribunal should not simply impose its own decision. If the landlord has chosen a course of action which leads to a reasonable outcome the costs of pursuing that course of action will have been reasonably incurred, even if there was another cheaper outcome which was also reasonable.”

26. The question for the tribunal is whether the decision-making process and outcome were reasonable. As the employer of the concierge, the 1st Respondent had to weigh up the possibility of needing to replace the concierge if he left for a better remunerated post or on the need to hire agency staff against a pay increase. On the evidence of the 1st Respondent the concierge had not received significant pay increases for a number of years and had fallen behind the market. The tribunal was not persuaded by the Applicant’s reliance on national average wage changes from the ONS or by reference to online searches.
27. The tribunal is satisfied that on balance both the decision-making process and the outcome were reasonable and the employment costs of £37,000 for 2024 and £44,500 for 2025 are reasonable.

Application under s.20C and refund of fees

28. At the end of the hearing, the Applicant made an application for a refund of the fees that he had paid in respect of the application and hearing¹. Having heard the submissions from the parties and taking into account the determinations above, the tribunal does not order the Respondent to refund any fees paid by the Applicant.
29. In the application form, the Applicant applied for an order under section 20C of the 1985 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, so that the Respondent may not pass any of its costs incurred in connection with the proceedings before the tribunal through the service charge.

¹ The Tribunal Procedure (First-tier Tribunal) (Property Chamber) Rules 2013

Name: A Harris

Date: 24 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).