FIRST-TIER TRIBUNAL
PROPERTY CHAMBER
(RESIDENTIAL PROPERTY)

Case reference	:	**HAV/43UB/LSC/2024/0641**
Property	:	**Fairlawn, Hall Place Drive, Weybridge, Surrey, KT13 0AY**
Applicant	:	**The Leaseholders of:** **1-8 Fairlawn RTM Company Ltd** **9-20 Fairlawn RTM Company Ltd** **21-26 Fairlawn RTM Company Ltd** **27-30 Fairlawn RTM Company Ltd** **31-38 Fairlawn RTM Company Ltd**
Representative	:	**Jobsons Solicitors Ltd (Ref Ms Collins)**
Respondent	:	**Proxima GR Properties Limited**
Representative	:	**Ms Katie Edwards Associate Director**
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 C Norman FRICS, Valuer Chairman** **Mr C Davies FRICS** **Mr A Hetherton MRICS IRRV (Hons)**
Venue	:	**10 Alfred Place, London WC1E 7LR**
Date of Consideration	:	**7 January 2026**
Date of decision	:	**23 March 2026**

DECISION

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Decisions of the Tribunal

(1) The Tribunal finds that the licence fee for the wardens flat has not been charged to the service charge account for any of the years in dispute, but paid for from corporate accounts by FirstPort the landlord's agent. The question of determining reasonableness and payability does not therefore arise.

(2) The Tribunal finds that it is unnecessary to determine whether the cost of a license fee for the occupation of the warden's flat falls outside the service charge provision.

(3) It is unnecessary for the Tribunal to make any findings as to whether the licence fee is a QLTA, and in any event the Agreement giving rise to the fee has not been supplied.

(4) The management fees were too high and should reflect £365 per flat per annum before further adjustment.

(5) The Tribunal finds that FirstPort failed to communicate effectively with the lessees and that therefore the management fees should be further reduced by 10% for 2024/2025.

(6) The Applicants have failed to make out a prima facie case that the maintenance charges (excluding management fees) for the estate for 2024/2025 are unreasonable, and the Tribunal therefore finds them to be reasonable.

(7) The Tribunal makes partial orders under section 20C and Para 5A Sch 11 that not more than half the costs may be recovered via the service charge or as an administration charge for litigation costs.

The application

1. The Applicant seeks a determination pursuant to s.27A of the Landlord and Tenant Act 1985 ("the 1985 Act") as to the amount of disputed service charges payable by the Applicant. The service charge year runs from 1 September to 31 August.

2. In the amended application, the disputed issues are as follows:

> 2018/2019, the licence fee for the warden of £12,445 recharged through management fees and whether it amounts to a qualifying long term agreement (QLTA)

2019/2020, the licence fee for the warden of £12,743.68 and whether it amounts to a QLTA

2020/2021 the licence fees for the warden £13,075 and whether it amounts to a QLTA

2021/2022 the licence fees for the warden £13,271.12 and whether it amounts to a QLTA

2022/2023 the licence fee for warden £14,614.82 and whether it amounts to a QLTA

2023/2024 the licence fee for warden £16,418.32 and whether it amounts to a QLTA. Estate charges for maintenance of grounds (appurtenant property) are also challenged

2024/2025 the licence fee for warden estimated at £16,000 and whether it amounts to a QLTA. Estate charges for maintenance and grounds (appurtenant property) are also challenged.

3. The Applicant also seeks orders under section 20C of the Act and Paragraph 5A, Schedule 11 of the Commonhold and Leasehold Reform Act 2002 ("the 2002 Act").

Determination by written representations without a hearing

4. All parties requested a determination based on written representations without a hearing and the Tribunal consented to this. The Tribunal received a bundle of 414 pages.

The background and issues

5. The property which is the subject of this application is five blocks of flats in aggregate comprising 38 flats. The Applicants are lessees of five right to manage companies, and the Respondent is the freeholder of the estate. The Respondent's managing agent is Estates & Management ("E&M"), who appointed FirstPort Property Services to act as agent. Management of the properties was handed over to the RTMs on 8 October 2024. The RTMs appointed Urang to act as their managing agent. The landlord holds retained land outside of the RTM control, which is managed by E&M.

6. 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.

Procedural Matters – The Scope of the Application

7. Para 31 of the Directions given on 18 August 2025 stated "The parties expressed a preference for the application to be determined by the Tribunal on the papers alone. The Tribunal understands from the parties' Position Statements there is one issue which is the subject matter of the Application, and that relates to the Warden's House at the property, which used to be occupied by an on-site manager. The years in question being from the service charge year 1 September 2018–31 August 2019, to date."

8. However, the Applicant's statement of case expanded their case to include a challenge to the level of management fees. No case management application was made to amend the application. The Respondents position was that the assertion by the Applicants was inadequate, vague, unsupported and placed an unreasonable burden on the Respondent [205][1]. However, no case management application was made by the Respondent in relation to this. Instead, the Respondent made submissions and led witness evidence on the point from Mr Cooper (see below). The Tribunal therefore finds that the Respondent joined issue on this matter and that the Tribunal should make relevant findings.

The leases

9. A sample lease for Flat 27, dated 28 November 1986 was provided. This granted a term of 99 years from 1985. By clause 3(2) the tenant covenants to pay to the lessor without any deduction by way of additional rent 3/100ths part of the expenses and outgoings incurred by the lessor in the repair maintenance renewal and management of the Building and the Estate (including the Warden's flat and house and the guest room and communal facilities) the provision of services therein and other heads of expenditure incurred by the lessor in the performance of its covenants hereinafter contained including the fees and its Managing Agents and Accountants or other professional persons plus VAT if applicable.

10. Subclause (b) provides that the amount of the service charge shall be ascertained and certified by certificate signed by the Lessor's auditors or accountants or Managing Agents. Sub-paragraph (e) provides that the certificate shall contain a summary of the Lessor's expenses and outgoings together with a summary of the relevant details and figures forming the basis of the service charge and the certificate shall be conclusive.

11. By clause 5 (10) the landlord covenants "so far as practicable and subject always as provided in clause 8 hereof to use its best endeavours to maintain the services of a warden for the purpose of being reasonably

[1] Square brackets denote page numbers in the bundle

available to the owners and tenants in the building to render reasonable assistance in cases of emergency and to supervise the provision of services as aforesaid in the building and estate and to perform such other duties as the lessor should in its discretion stipulate".

12. A copy of the lease of the warden's house was also provided. This is dated 11 May 2009 by which the property was let by Peverel Properties Ltd to Peverel Operations PD Ltd for 125 years.

The Applicants' case

13. This may be summarised as follows, as set out in the statement of case dated 9 September 2025, verified by a statement of truth. The dispute concerns the payability of the licence fee in respect of the warden's house on the estate. The Respondent was the freehold owner of the warden's house. This was sold and then let on a long lease to My Future Living which granted a licence to occupy the property to the managing agent. The Applicants are being indirectly charged this licence fee for this property via the service charge. The Applicants do not dispute that they are responsible for certain other charges relating to the warden's house including repair and maintenance. However, clauses 5(4) (A) and (B) of the lease does not allow recovery of this licence fee. Had the license fee been a proper item of service charge this will be shown as such within the accounts and collected as a valid expense rather than being hidden within the management fees. Alternatively, the Applicants challenge the reasonableness of the management fees.

14. When the Applicants made enquiries, in relation to the management fee of £3,500 included in the budget for the shared areas for the year ending 31 August 2025 they were told that the previous management fee of £19,974 included a licence fee of £16,418.36. The total contribution towards the management fee after taking way licence to occupy was therefore £3,555.64. It was the Applicant's position that FirstPort accepted that the licence to occupy fee has been included in the service charge accounts. Mr Chris Koehli a RTM director received correspondence from FirstPort through the Property Manager, Ms Manni Sabwaral, which confirmed that the licence fee has been recharged as a management expense via the management fees.

15. The Applicants' position was also that the management fee per unit greatly exceeded the amount should be charged for development of this type given the nature and level of services being provided.

16. The Applicants appended service charge budgets and audited accounts. For the year ended 31 August 2020 (which also included figures for August 2019), August 2021, August 2022, the accounts were approved by BDO Registered Auditors. For the years ending August 2023 and August 2024, they were prepared by TC Group, Registered Auditors.

17. In relation to the application for orders under section 20C and Paragraph 5A, the Applicant submitted that they had made efforts over a lengthy period to resolve matters which had been met with resistance by the Respondents. They had shown a willingness to mediate at an early stage, but the Respondents failed to engage. The section 20C application was made on behalf of all leaseholders at Fairlawn.

The Respondent's statement of case

18. This is dated 8 October 2025 from Ms Katie Edwards, Associate Director of the Respondent and verified by a statement of truth. It may be summarised as follows. The Respondent is the freeholder of Fairlawn Hall Place Drive Weybridge. On 20 October 2024, five right to manage companies acquired the right to manage their respective self-contained blocks on the estate. All leases granted for the 38 properties within the application are materially similar. FirstPort Property Services Ltd were appointed by the Respondent as managing agent.

19. The statement of case served by the Applicant was brief, poorly drafted and lacked clarity. FirstPort did not consider the licence fee in dispute to be an item of service charge but rather a general business expense. Exhibit 1 appended to the statement was a spreadsheet showing payments from FirstPort to My Future Living of the licence fee for the flat. The Respondent bulk paid licence fees [for multiple sites] to My Future Living so it could not show the individual transactions in respect of the flat. However, it demonstrates that all payments to My Future Living came from corporate accounts and not the service charge account.

20. Although revenues include management fees there is no direct relationship between the payment of the management fees charged to the flats and the licence fee. It was wholly implausible to suggest that the auditor failed to identify any attempt to settle a licence fee through the service charge. Audited accounts were exhibited.

21. FirstPort does not calculate management fees as a fixed percentage of the overall budget. The fee is determined based on the number and type of services provided. This gave rise to the substantial reduction in the management fee for the year 2024/2025 following the RTM companies' acquisition of the right to manage. There is no mathematical correlation between any increase in licence fee and the increase in the management fee. The management fee reflects inflationary adjustments.

22. The assertion that the Respondent has not been transparent is without merit. The Respondent on two occasions has pleaded that the leaseholders have never contributed to the licence fee in any capacity. On 25th July 2024 the Applicants accepted that they were told that the licence fee was not charged back to them but absorbed by FirstPort. The Applicants' case is based on an isolated statement allegedly made by low-level employee of FirstPort [Ms Manni Sabwaral]. The statement is

incorrect. The Applicants purport to rely on an email which they failed to produce or annex to the statement of case. Conversely the Respondent relies on certified bank records and accounts.

23. Alternatively, it is wholly inadequate for the Applicant to assert that the management fees are unreasonable without offering any supporting particulars or evidence. The current government guidance for management fees of retirement leasehold properties for the financial year 2024/2025 was £680 per unit. In the Respondent's budget for the year ending 31 August 2025 the management fee was £105 for per annum per unit at most. The equivalent sum for the year ending 2024 was £599.28. Therefore, the Tribunal should find that the licence fee has not been included within the service charge under the guise of management fee. The management fee is reasonable and payable in full. The application for cost protection orders (s20C/Para 5A Sch 11) should be dismissed.

The Applicants' reply

24. The Applicants asserted that they were only interested in whether payments in respect of rent for the warden's house were charged back to leaseholders. The Applicants have no knowledge of what the auditor did or did not identify. The Applicants cannot see any reason why, if the auditor was given details the management fees, it would question how such management fees were made up. The Applicants asserted that they were not requesting a determination as to the reasonableness of the licence fee but for the Tribunal to assess its payability and the reasonableness of the management fee. This was accepted by the Respondent at a Case Management Hearing.

25. The management fee was too high and does not reflect the number and type of services provided. This led to the formation of RTMs. No detail is given as to mathematical correlation between any increase in the licence fee and the increase in the management fee. The Applicant submitted that the figures speak for themselves. They submitted that the management fees as a percentage of expenditure range between 15.3% to 13.6% over the disputed period. The Applicant submitted that the Respondent has not been transparent.

26. The Applicants did not include a copy of the email from Manni Sabwaral within the Statement of Case due to the fact that this was clearly quoted within the documentation which was submitted. The Respondent does not appear to be suggesting that the quotation provided within the Applicants' Statement of Case is incorrect in any way and can see no merit in submitting further paperwork when a clear quotation of the appropriate wording within the email of the 2nd of August 2024 and the 17th of September were clearly set out. A copy was attached.

27. The Applicants' case is not based solely on an isolated statement allegedly made by a "low level employee of FirstPort". It is made as a result of the fact that the Applicants have been overcharged management fees over a lengthy period and have been unable save as reported by a "low level employee of FirstPort" to obtain any concrete responses to the queries which they have raised with FirstPort on a number of occasions.

28. The Applicants are not merely asserting that the management fee is unreasonable. They have set out their case for the same in detail and have provided evidence to show that the same is unfair. The Applicants relied on a management fees inflation sheet sent to them in 2024 which stated that management fees are normally £1 per day per customer which the Applicants assume means £365 per annum to the normal fees would be £13,870 per annum as opposed the to the actual fees of £19,974 per annum. This excluded the cost of the development manager. The current managing agents (Urang) total management fee is £9,648 p.a. Many of the guidance fees for retirement leasehold property include services which have not been provided at Fairlawn. The Respondent has failed to give transparency about the nature of the management fee and has not denied that the management fee includes this business expense. The Applicants accept that they have the burden of proof.

29. The fees which are quoted by the Respondent in relation to retirement leasehold property for the 2024/2025 are misleading, being extremely low owing to the Respondent only managing the Estate and not the blocks.

Witness statements

30. For the Applicants, Mr Chris Koehli provided a statement verified by a statement of truth which may be summarised as follows. He is an RTM director and long-time resident. There have been endless complaints about FirstPort managing agents for the Respondent. FirstPort delay and avoid answering questions and do not provide information leaseholders are entitled to receive. They display a lack of care. The lease terms do not allow for payment of the licence fee in respect of the use of the warden's house. FirstPort have failed to address this. There were issues in relation to the handover to the RTM company. In her email of 17 September 2024, the Property Manager, Manni Sabarwal, stated "please note as the licence fee is paid by FirstPort this cost doesn't come directly out of the service charge budget. The management fee is used for company expenses which includes the licence fee." This is an admission that licence fees recharged in the management fee. FirstPort require that all queries are channelled to the relevant development manager or if none the property manager. In the majority of cases, they are unable to provide answers. This causes inordinate delays. The witness had raised this with the managing director of FirstPort. There has been a total lack of transparency in dealings with FirstPort. The development itself is extremely well kept and requires very little management. If the

management fees reflected time and efforts of managing, they would be greatly reduced.

31. In a supplemental statement dated 19 December 2025 Mr Koehli further refuted the Respondent's case.

32. Also, for the Applicants, Mr Martin Dawson provided a witness statement verified by a statement of truth. This may be summarised as follows. He has lived at Fairlawn since 2014. He has suffered a terrible and absurdly expensive service from the landlord's managing agents Estates and Management who appointed Fairport. FirstPort either did not respond to questions or provided incomplete information. This was an abuse of power over elderly and vulnerable leaseholders. He discussed FirstPort with other developments in south-east England to talk to leaseholders who had removed FirstPort. Several expressed deep lack of satisfaction. The FirstPort 2024 maintenance budget is ridiculously high. After RTM was obtained FirstPort sought to impose ongoing management obligations on the lessees. They did not want a full-time residential manager forced upon them. After the RTM handover there have been months of argument with FirstPort and E&M.

33. FirstPort have been charging an inflated fee for management which encompasses the licence fee for the warden's house which they have to pay to My Future Living. The budget for the year from 1 September 2024 to 31 August 2025 showed FirstPort employing a full-time residential manager costing £53,000 a year to manage work costing £20,000 a year. This was just managing the grounds. Only after months of argument was this abandoned. There were discussions about whether a ballot was needed to change the status of the development manager to satisfy the lease. The tenant's obligation to pay for the maintenance of the house arises from the lease drafted in 1984 when the house was owned by the freeholder without any question of costs being incurred for 3rd party involvement. When My Future Living acquired the property from Proxima this altered the factual situation which underpinned the lease and created additional costs which had not been contemplated in the lease. Proxima were in effect varying the lease without consent. Therefore, the licence fee cannot be seen as part of the management fee.

34. For the Respondent, Mr Ed Cooper Regional Director for Later Living at FirstPort property services gave a witness statement verified by statement of truth. This may be summarised as follows. He has worked at FirstPort since April 2019. It was not uncommon for retirement properties to include the development manager's flat. Often these serve as accommodation for the on-site manager responsible for day-to-day running of the development. It is not uncommon for a lease to be granted in respect of such flats to a company that specialises in the provision and management of development managers flat. In many cases licence fee is payable in respect of the flat. The way such licence fee is treated depends on several factors and there is no standardised approach. The licence fee

for the development managers flat at Fairlawn was never run through the service charge in any way. It has always been treated as a business expense of FirstPort. The Respondent's solicitors had already provided evidence that the licence fee was paid from FirstPort corporate bank accounts. The source of the account is highly relevant because FirstPort holds service charge monies in section 42 compliant trust accounts which are separate from corporate accounts. Service charge payments are made from the relevant trust account not from a corporate account. Accordingly, it was not funded by service charge receipts. The Applicants case relies predominantly on single a single email. The version annexed to the Applicants' reply is rather illegible and is merely a screen shot of part of an email rather than a true copy. The contents of the email are incorrect. Mr Cooper disputed that FirstPort or the Respondent have not been transparent.

35. In relation to management fees, it is incorrect for the Applicants to assert that the reason for the significant reduction in the management fee for 2024 was due to the removal of the licence fee associated with the development managers flat. FirstPort calculated management fees based on the level of operational involvement and resources required to manage its development. This depends on the number of services provided. This is considerably more intensive than managing the retained area on a remote basis. The licence fee is not set by FirstPort, nor does it determine the level of licence fee. Mr Cooper was advised that the Applicants' case does not establish a prima facie case against the Respondent in terms of the level of management fees. The Applicants have not alleged that services were not provided nor that the services were not provided to a high standard. The quote for the Urang management fee is unevidenced and is not like-for-like because FirstPort managed the entire development whereas Urang rang only manage individual RTM blocks. The management fee is reasonable and in line with FirstPort's wider retirement portfolio.

The Tribunal's decision

36. The Tribunal places substantial weight on the audited accounts. These were prepared by Registered Auditors. None of the accounts make any reference to a licence fee being paid from the service charge account. Under the terms of the lease the certificates are conclusive. The Tribunal also prefers the evidence of Mr Cooper on this point because his evidence of payments being made from the corporate account of FirstPort is consistent with the accounts. It also agrees that the service charge account is a trust account under section 42 of the Landlord and Tenant Act 1987. The Tribunal accepts his evidence that the fee was paid from corporate accounts. The Tribunal accepts his explanation that the email sent by Manni Sabarwal was incorrect. It follows that the Tribunal finds that none of the licence fees have been paid from the service charge account.

37. Given the finding above that the cost was not charged as a service charge it is unnecessary for the Tribunal to make a finding on whether the licence fee does or does not fall within the scope of the covenant. Furthermore, the Tribunal has not received detailed legal argument on the interpretation of the relevant lease covenants, and no authorities (decided cases) have been cited by either party in connection with the construction of the lease covenants. In the absence of detailed legal submissions, it is undesirable that the Tribunal seeks to make any determination of that issue.

38. The issue of whether the licence agreement is a QLTA is also irrelevant to the decision in this case, but in any event absent the Agreement the Tribunal could not make a determination.

39. In relation to management fees, the Respondent has not set out evidence to support its case that the fee charged falls within government guidelines or that such guidelines apply to this case. The guidelines have not been supplied. Conversely, the Applicants have produced evidence of the costs payable by them to Urang. They have also provided evidence that the Respondents indicated that the fee would be £365 per annum per unit.

40. The Tribunal accepts that the Urang fee basis is not on all fours with the service provided by FirstPort, because it excludes the retained estate areas. However, it prefers the Applicant's case and finds that the appropriate fee is £365 per annum per unit. The Tribunal finds that the email sent by Manni Sabwaral in September 2024 exemplifies poor communication. For the year 2024/2025 it therefore further reduces the management fee by 10% to reflect this. It does not consider that further adjustment is needed in connection with the handover to the RTMs. This is because such handovers are frequently difficult and the handover was instigated by the Applicants. The exhibits to the Applicants witness statements do not clearly show poor communication previous years.

Application under s.20C and refund of fees

41. Each party has therefore been partially successful and unsuccessful. The Tribunal finds that it is just and equitable that partial orders under section 20C and Para 5A should be made whereby the Respondent may not recover more than half its costs via the service charge (if permitted under the lease). It further orders under Para 5A Sch 11 of the 2002 Act that not more than half of the landlord's costs may be received via as administration charges for litigation costs.

Date: 23 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).