



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

Case Reference : HAV/21UD/LSC/2025/0736

Property : Kilncroft Lodge,
25-29 Ashburnham,
Hastings, TN35 5JN

Applicants : (1) Flat 1 – C J Lodge
(2) Flat 2 – L & J W Walsingham
(3) Flat 3 – J L Kent
(4) Flat 4 – L & J W Walsingham
(5) Flat 5 – Apana Business
Psychology Ltd
(6) Flat 6 – S E Taylor
(7) Flat 7 – C L Dean
(8) Flat 8 – S Pang Property Ltd
(9) Flat 10 – D M & G W Boorman
(10) Flat 11 – J C M Carter
(11) Flat 12 – J L Roup

Applicants' Representative : Ms J C M Carter in person & on behalf
of the other applicants

Respondents : Assethold Limited

Type of Application : Determination of liability to pay and
reasonableness of service charges:
s.27A Landlord & Tenant Act 1985

Tribunal Members : Mr D W Cotterell FRICS
Mr M Williams FRICS FAAV
Ms T Wong

Venue: Havant Justice Centre,
The Court House, Elmleigh Road,
Havant PO9 2AL

Date of Decision : 27 March 2026

DECISION

DECISION

- 1 The amount payable in total, and thereby to be paid by the Leaseholders of Kilncroft Lodge in the shares as stipulated in their respective leases in the service charge year 2023/24 is **£ 17,189.94**, comprised as follows:

2023/24 “Accurate Account” Items	Amount
Insurance & Brokers Fee	£ 11757.04
Common parts Electricity	£ 622.80
Common Parts Cleaning	£ 882.00
Maintenance of Communal Gardens	Nil
Window Cleaning	Nil
Gutters Cleaning & Inspection	£ 120.00
Fire Health & Safety Testing, Services and Repairs	£ 547.20
Electrical Installation Condition Report	£ 767.40
Removal of balcony tiles, application of waterproof sealant & reinstall	£ 487.50
Repair to damaged garden fencing	£ 200.00
Fire stopping in electric cupboard	Nil
Sealing up of cracks to aid door movement	Nil
Repair to door mechanisms, rehangng & realigning of doors	Nil
Replacement of several light fittings	£ 336.00
Communal area touch ups	Nil
Electrical remedial works following EICR	Nil
Realignment of bin store door	Nil
Standard BNO Audit and repair to Ryefield board	Nil
Unblocking of hoppers using tower scaffolding	Nil
Surveyor to prepare insurance reinstatement cost assessment	£ 750.00
Internal Decorating as per Section 20 Notice	Nil
Fire Door Inspection	Nil
Fire Health & Safety Risk Assessment	Nil

Assessment of paths to rear at night	Nil
Communal area decorating	Nil
Joinery works including timber doors, frames and skirtings	Nil
Inspection & clearing of gullies	Nil
External meter cupboard works	Nil
Deep clean of floor covering & inspection to ensure all securely fixed	Nil
BNO Works	Nil
Accountant	£ 720.00
Management fee December 2023/2024	Nil
Total	£ 17,189.94

- 2 The amount payable by the Leaseholders of Kilncroft Lodge in the shares as stipulated in their respective leases in the service charge year 2024/25 is **£10,891.00** comprised as follows:

2023/24 “Accurate Account” Items	Amount
Insurance November 2024/2025 + Brokers fee	£ 5,000.00
Common parts Electricity	£ 653.00
Common Parts Cleaning	£ 800.00
Maintenance of Communal Gardens	£ 350.00
Window Cleaning	Nil
Fire Health & Safety Testing, Services and Repairs	£ 550.00
Gutters Cleaning & Inspection	£ 300.00
Fire Health & Safety risk assessment	£ 450.00
Drains service	£ 250.00
Accountant	£ 738.00
Management fee December 2024/2025	£ 1,800.00
Repair fund (if needed)	£ -
Total	£ 10,891.00

- 3 The Tribunal makes an order under s.20C of the Landlord and Tenant Act 1985 so that none of the respondent's costs of or arising from this application can be added to the service charges.
- 4 The Tribunal makes an order under s.5A of Schedule 11 to the Commonhold & Leasehold Reform Act 2002 so that none of the respondent's costs of or arising from this application can be sought from the applicant.

REASONS

Introduction

- 5 By an application dated the 17 July 2025 the applicants seek determination of various service charges levied on them as leaseholders in the previous service charge year 2023/24 and in addition for the then current / future year service charge year 2024/25. In parallel, the applicants also seek an order pursuant to s.20C of the Landlord & Tenant Act 1985 and paragraph 5A of Schedule 11 to the Commonhold and Leasehold Reform Act 2002.

Background

- 6 The subject Property comprises a converted building divided as 12 flats completed around 2018; the applicants are leaseholders of 11 of the 12 flats in the building. The application sets out the applicants' complaints regarding the management of the Property, the provision of services, and the related costs charged to leaseholders.
- 7 The applicants have, in separate proceedings before the Tribunal, made an application to exercise the right to manage the property that contains their leasehold interests. The present application, however, deals with

the service charges demanded by the respondent as freeholders, notwithstanding the right to manage application.

- 8 The service charges in issue are set out in the application and are also detailed in accounts dated 3 December 2024 sent to the applicants by the respondent freeholders through their agents Eagerstates Ltd, and appear in the bundle before the Tribunal at pages 43 and subsequently.
- 9 The service charge items listed in those demands total, for the block, and for the service charge year 2023/24 the sum of £51,255.65; and in estimate for the service charge year 2024/25 the sum of £26,939.69. Leaseholders' individual shares of liability are determined by stipulated percentages in their leases. The service charge liabilities have evidently been the subject of debt recovery action by the respondent, including claims in the county court.

Procedure and Hearing

- 10 Directions were given firstly on 11 September 2025 for a case management and dispute resolution hearing to be held on 24 October 2025. At that October hearing, which the respondent did not attend, further directions were given.
- 11 On 15 January 2026, an application was made by Eagerstates Ltd, the respondent's managing agent, for the applicants' case to be struck out on the basis of non-compliance with the Tribunal's directions. The application was dismissed on 20 January 2026 with reasons given.
- 12 A bundle prepared by the applicant was subsequently filed with the Tribunal, and runs to 260 pages. This includes the applicants' statement of case prepared by Johanna Carter, the leaseholder of Flat 11. Together with copy correspondence and document in support of the application. Ms Carter appeared at the hearing and presented the applicants' case, assisted by Ms Taylor, leaseholder of Flat 6.
- 13 The respondent did not file a statement of case nor did they appear at the hearing.

The Lease

- 14 The bundle includes a copy of a lease relating to Flat 4, the terms of which, according to the applicants, are replicated in each of their leases. The Flat 4 lease is dated 17 January 2019 and grants a term of 130 years from 1 January 2018. A rent is reserved at £200 per annum; the lessee covenants to pay a maintenance charge within 21 days of any demand. The scope of the maintenance charge is described principally in the sixth schedule to the lease, including the lessee's respective share of the block expenditure. That expenditure includes the cost of meeting the landlord's covenants of repair, insuring the building, and also the cost of keeping accounts and "*all other expenses (if any) incurred by the Lessor in and about the maintenance and proper and convenient management and running of the Building*".

The Issues

- 15 In their statement of case and at the hearing, the applicants detailed their complaint that the maintenance arrangements for the block during the service charge years in question were "*excessive and unreasonable*" and informed the tribunal that the freeholder had initiated forfeiture proceedings on the basis of unpaid demands.
- 16 The applicants further submitted that the costs for such maintenance as was provided were unreasonable, not only because there was insufficient record available as to what work had been carried out, but also that certain work as had been carried out to the block was not sufficient or of sufficient quality to maintain it.
- 17 The applicants set out their complaint relating to charges various items of expenditure incurred in the service charge year 2023/24 and also estimated amounts in a demand for the service charge year 2024/25 in advance. The items in issue were included in a demand sent to the applicant by the respondent and dated 3 December 2024.
- 18 The applicants have also, separately to the present service charge application, sought determination of entitlement to the Right to Manage under case reference AV/21UD/LRM/2024/0503. That matter does not bear on any issues considered by the Tribunal in this application.

The Evidence

- 19 The Tribunal had received and read the parties' bundle and gave careful consideration to its contents. In addition, at the hearing, Ms Carter for the applicants confirmed the applicants' statements of case and was able to clarify and expand on matters of detail pertinent to the application.
- 20 The Tribunal did not have the benefit of a statement or of submissions from the respondent. The Tribunal relies, nevertheless, on the copy documents produced by the respondent in communications with the applicants. Where items of service charge expenditure are identified, the Tribunal starts from the presumption that the amounts claimed have been properly calculated by the respondent, notwithstanding issues of reasonableness, except where there is better evidence to the contrary.

The Relevant Law

- 21 A service charge is defined by section 18(1) of the Landlord & Tenant Act 1985, which reads as follows:

18 *Meaning of "service charge" and "relevant costs".*

- (1) *In the following provisions of this Act "service charge" means an amount payable by a tenant of a dwelling as part of or in addition to the rent—*
- (a) *which is payable, directly or indirectly, for services, 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.*
- (2) *The relevant costs are 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.*
- (3) *For this purpose—*
- (a) *"costs" includes overheads, and*

- (b) *costs are relevant costs in relation to a service charge whether they are incurred, or to be incurred, in the period for which the service charge is payable or in an earlier or later period.*

22 Section 19 of that Act provides that there is a limitation on service charges in that they must be reasonable:

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.*

...

23 In relation to further requirements of landlords in respect of consultation with qualifying tenants, or leaseholders, the Act further states:

20. Limitation of service charges: consultation requirements

- (1) *Where this section applies to any qualifying works or qualifying long term agreement, the relevant contributions of tenants are limited in accordance with subsection (6) or (7) (or both) unless the consultation requirements have been either—*

- (a) *complied with in relation to the works or agreement,*
or

- (b) *except in the case of works to which section 20D applies, dispensed with in relation to the works or*

agreement by (or on appeal from) the appropriate tribunal.

- (2) *In this section “relevant contribution”, in relation to a tenant and any works or agreement, is the amount which he may be required under the terms of his lease to contribute (by the payment of service charges) to relevant costs incurred on carrying out the works or under the agreement.*
- (3) *This section applies to qualifying works if relevant costs incurred on carrying out the works exceed an appropriate amount.*
- (4) *The Secretary of State may by regulations provide that this section applies to a qualifying long term agreement—*

 - (a) *if relevant costs incurred under the agreement exceed an appropriate amount, or*
 - (b) *if relevant costs incurred under the agreement during a period prescribed by the regulations exceed an appropriate amount.*
- (5) *An appropriate amount is an amount set by regulations made by the Secretary of State; and the regulations may make provision for either or both of the following to be an appropriate amount—*

 - (a) *an amount prescribed by, or determined in accordance with, the regulations, and*
 - (b) *an amount which results in the relevant contribution of any one or more tenants being an amount prescribed by, or determined in accordance with, the regulations.*
- (6) *Where an appropriate amount is set by virtue of paragraph (a) of subsection (5), the amount of the relevant costs incurred on carrying out the works or under the agreement which may be taken into account in determining the relevant contributions of tenants is limited to the appropriate amount.*
- (7) *Where an appropriate amount is set by virtue of paragraph (b) of that subsection, the amount of the relevant contribution of the tenant, or each of the tenants, whose relevant*

contribution would otherwise exceed the amount prescribed by, or determined in accordance with, the regulations is limited to the amount so prescribed or determined.

24 The “*appropriate amount*” in that context is set by The Service Charges (Consultation Requirements) (England) Regulations 2003 (“the 2003 Regulations”) which direct that for “*qualifying works*” the amount is £250 per tenant or in the case of “*qualifying long-term agreements*” the amount is £100 annually.

25 Section 27A of that Act confers jurisdiction on the Tribunal to make determinations as to costs actually incurred or costs demanded on account prior to works being done or services being carried out:

27A *Limitation of 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) *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 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*

...

The Tribunal's Decision

26 The Tribunal has considered the evidence placed before it and the terms of the application, as well as the applicable law. The Tribunal considered each of the service charge items detailed in the respondent freeholder's demand ("the Demand") dated 3 December 2024 and decided as follows:

2023/24 Service Charge Year Items

(i) Insurance & Brokers Fee

27 In the Demand, the insurance is described "*Insurance November 2023/2024 + Brokers fee - £11,757.04*". The applicants raised at the hearing a complaint that the amount was excessive, citing that they had not received any explanation of the terms on which insurance had been obtained, despite requesting it. In addition, preliminary to exercising their right to manage the property, the RTM company had received a quotation for insurance of £4392.24 (before broker's fees) for a higher level of cover. They submitted that the discrepancy between their quotation and the amount levied in the Demand was evidence that the amount sought was unreasonable.

28 In the application under Section 7, Part A, the form asks the applicant to identify the years for which a determination is sought. In this case, the applicants have answered listing one year: "*2023-2024*". The form goes on to instruct: "*For each service charge year, fill in one of the sheets of paper entitled SERVICE CHARGES IN QUESTION*" and the applicants have included this at page 25 of the bundle. This sheet indicates at the top "*... List of the items of service charge that are in issue and their value in respect of the year 2023 / 2024 are;...*" before listing some 29 items – none of which refers to the insurance and broker's fee that has been charged.

29 As this item has not been specified in that list, the Tribunal will not make a decision in this application as to its reasonableness.

(ii) Common parts Electricity

30 On consideration of the applicant submissions, the Tribunal finds that the amount claimed at £622.80 is reasonable.

(iii) Common Parts Cleaning

31 The applicants accepted at the hearing that the charge of £882.00 for cleaning is reasonable and consequently the Tribunal finds it to be so.

(iv) Maintenance of Communal Gardens

32 The applicants told the Tribunal that they had not observed any gardening work being undertaken during the service charge year, nor were they aware that any contractor had been appointed. They reported that the last time any gardening work was seen was during the previous service charge year. In consideration of this evidence, the Tribunal finds that no charge for Maintenance of Communal Gardens can reasonably be made.

(v) Window Cleaning

33 The Tribunal notes that under the lease terms (Fifth Schedule, paragraph 4) leaseholders are responsible for cleaning their own windows. The Tribunal finds that there is accordingly no basis on which the respondent can properly levy service charge under the Fifth Schedule for window cleaning. If a separate agreement for window cleaning provisions exists, it is outside the scope of the Tribunal's consideration under this application.

(vi) Gutters Cleaning & Inspection

34 The applicants told the Tribunal that any cleaning of gutters during the service charge year was in relation to part only of the block and that those gutters adjacent Flat 11 had not been cleaned. On the evidence before it the Tribunal finds that a charge of £120.00 would be reasonable for this item.

(vii) Fire Health & Safety Testing, Services and Repairs

- 35 The applicants confirmed that some work had been carried out in relation to the fire safety systems at the building during the service charge year, however no information had been supplied to leaseholders explaining or justifying the work undertaken.
- 36 The Tribunal finds that the sum of £547.20 is reasonable to cover all fire health and safety testing, services and repair repairs, on the evidence before it.

(viii) Electrical Installation Condition Report

- 37 The applicants had not been aware of any condition survey being carried out but accepted that periodic inspection is required. Taking account of the evidence before it, the Tribunal finds that an amount of £767.40 is reasonable in the circumstances.

(ix) Removal of balcony tiles, application of waterproof sealant & reinstall

- 38 The applicants submit that although some work was carried out in relation to balcony tiles, no scaffolding was erected for those works. Ms Carter told the Tribunal that similar work carried out on her own balcony at her own expense, including scaffolding and had cost her less than £800 in January 2026, and her project included removal of decking in addition, and that the amount claimed in the Demand is accordingly excessive and unreasonable.
- 39 The Tribunal finds that an amount of £487.50 would be reasonable in the circumstances, being half of the amount in the Demand.

(x) Repair to damaged garden fencing

- 40 The applicants accepted that some work was carried out but of a limited and inadequate nature, and explained that the fencing broke twice again during the service charge year.

41 The Tribunal finds on the evidence before it, that an amount of £200 would be a reasonable amount, in the circumstances, for the work carried out.

(xi) Fire stopping in electric cupboard

42 The applicants submitted that there was no evidence of any of the work described under this head having been carried out in any part of the building. The Tribunal finds that on this evidence, accordingly, no charge for Fire stopping in electric cupboard can reasonably be made.

(xii) Sealing up of cracks to aid door movement

43 The applicants submitted that there was no evidence of any cracks in the vicinity of any doors being sealed in the building. The Tribunal finds that on this evidence, accordingly, no charge for sealing up of cracks to aid door movement can reasonably be made.

(xiii) Repair to door mechanisms, rehangng & realigning of doors

44 The applicants submitted that there was no evidence of any repairs being carried out to any door mechanisms in the building or outside of it. The Tribunal finds that on this evidence, accordingly, no charge for repairs to door mechanisms, rehangng and realigning of doors can reasonably be made; in addition, the Tribunal considers that this matter includes, in its scope, the service charge item relating to “*bin store doors*” (item xvii below).

(xiv) Replacement of several light fittings

45 The applicants accepted that light fitting had been replaced and the Tribunal notes that the item is not included in the list of service charge items being challenged at page 25 of the bundle. Accordingly, the Tribunal does not make any finding in relation to the amount of £336.00 being sought by the respondent.

(xv) Communal area touch ups

46 The applicants told the Tribunal that during the service charge year, there were internal decorations carried out further to a section 20 notice. While these costs had been paid by leaseholders, they were subsequently demanded again by the respondent. The applicant submitted that there was no necessity for any touching up works, nor were any such works observed to have been carried out.

47 The Tribunal finds that on this evidence, accordingly, no charge for communal area touch up works can reasonably be made.

(xvi) Electrical remedial works following EICR

48 The applicants submitted that there was no evidence of any electrical remedial works being carried out in the building. The Tribunal finds that on this evidence, accordingly, that no charge for this item can reasonably be made.

(xvii) Realignment of bin store door

49 Notwithstanding that this item of service charge was not specifically pleaded in the application at page 25 of the bundle, the Tribunal nevertheless finds that the item is, in effect, part of the work described in the item separately listed in the service charge demands and addressed in the Tribunal's decision at (xiii) above. The applicants informed the Tribunal that the building's bin store has no door and drew its attention to photographs in the bundle illustrating the point. On this evidence, the Tribunal determines that no charge for this item can be made.

(xviii) Standard BNO Audit and repair to Ryefield board

50 The Tribunal anticipates that this item relates to a Building Network Operator audit. The applicants submitted that there was no evidence of any such work being carried out in the building. The Tribunal finds that on this evidence, accordingly, that no charge for this item can reasonably be made.

(xix) Unblocking of hoppers using tower scaffolding

- 51 The applicants submitted that there was no evidence of such work being carried out at any point. The Tribunal finds that on this evidence, accordingly, that no charge for this item can reasonably be made.

(xx) Surveyor to prepare insurance reinstatement cost assessment

- 52 The applicants told the Tribunal that they were not aware of a survey being carried out, but accepted that the task could have been undertaken without requiring access to the building's interior. They further submitted that the amount being claimed was excessive considering that a similar survey had been undertaken at the request of the new RTM company for its insurance purposes, and that no charge had been made by the insurance broker for that task.
- 53 The Tribunal finds that on this evidence, the amount claimed of £2340 was excessive and that of £750.00 for this item would be reasonable in the circumstances.

(xxi) Internal Decorating as per Section 20 Notice

- 54 The applicants told the Tribunal that in June 2024, a quotation for decorating works and notice pursuant to section 20 was given to the leaseholders as a separate service charge demand, in the sum of £6288 plus a management fee of £1131.84 and that this was invoiced in August 2024 in a total amount of £7419. They further submitted that the additional amount added to the Demand in the sum of £7419 – plus a management fee amount – was duplication of that earlier and separate demand.
- 55 The Tribunal accept this explanation on the evidence before it and accordingly finds that the amount claimed in the Demand for this item is not payable.

(xxii) Fire Door Inspection

- 56 The applicants submitted that this item in the Demand is a duplication of the item at (vii) above. In addition, they told the Tribunal that there was no evidence of any fire door inspection being carried out, and that fire doors had been the subject of dealings with the respondent in

previous service charge years, albeit at individual leaseholders' expense where these works related to the front doors of their flats in the building.

- 57 The Tribunal accepts this submission on the evidence before it and accordingly finds that no charge for this item can reasonably be made in the 2023/24 service charge year.

(xxiii) Fire Health & Safety Risk Assessment

- 58 The applicants submitted that this item is also a duplication of the item at (vii) above. In addition, they told the Tribunal that there was no evidence of any such risk assessment inspection being carried out.

- 59 The Tribunal accepts this submission on the evidence, and accordingly no charge for this item can reasonably be made in the 2023/24 service charge year.

(xxiv) Assessment of paths to rear at night

- 60 The applicants submitted that there was no evidence of any such assessment inspection being carried out, nor was there any evident need for it.

- 61 The Tribunal finds that on the evidence no charge for this item can reasonably be made.

(xxv) Communal area decorating

- 62 The applicants submitted that this item is a duplication of the item at (xxi) above. In addition, they told the Tribunal that there was no evidence of any additional decoration works being carried out.

- 63 The Tribunal accepts this submission on the evidence, and accordingly no charge for this item can reasonably be made in the 2023/24 service charge year.

(xxvi) Joinery works including timber doors, frames and skirtings

64 The applicants submitted that there was no evidence of any such works being carried out, nor was there any apparent need for it.

65 The Tribunal finds that on the evidence no charge for this item can reasonably be made.

(xxvii) Inspection & clearing of gullies

66 The applicants submitted that there was no evidence of any such works being carried out, nor was there any apparent need for it; in addition, asserted that there are no underground gullies present at the property.

67 The Tribunal finds that on the evidence no charge for this item can reasonably be made.

(xxviii) External meter cupboard works

68 The applicants submitted that there was no evidence of any such works being carried out to any external meter cupboards.

69 The Tribunal finds that on the evidence no charge for this item can reasonably be made.

(xxix) Deep clean of floor covering & inspection to ensure all securely fixed

70 The applicants submitted that there was no evidence of any such cleaning being carried out, and pointed out that the floor coverings are all vinyl and not likely to benefit from deep cleaning any more than normal cleaning.

71 The Tribunal finds that on the evidence no charge for this item can reasonably be made.

(xxx) BNO Works

72 The applicants submitted that this item is a duplication of the item at (xviii) above.

73 The Tribunal accepts this submission on a balance of the evidence before it, and accordingly finds that no charge for this item can reasonably be made.

(xxxi) Accountant

74 The applicants accept that an amount of £720 is reasonable for this item and the Tribunal accordingly finds it to be so.

(xxxii) Management fee December 2023/2024

75 The applicant submitted that the management fee in the sum of £3,499.20 is excessive and unreasonable in the circumstances : its calculation is opaque and the applicants submit that a levy as a percentage of service charges being demanded will include double counting of management fees levied individually on various items and submitted that an illustration of this is the section 20 redecoration works that they say have been demanded twice, and on which the second demand seeks to charge a management fee on an amount that already included a management fee.

76 The Tribunal is mindful that the basis of calculation in the circumstances is a matter for the respondent to determine, within the bounds of reasonableness. In the subject case, however it is evident from the totality of the evidence put before the Tribunal that the respondent, through their managing agents, has not provided a reasonable level of service. No submissions were received challenging that assessment. The Tribunal's view is that the amount demanded is unreliable in its calculation and that in the absence of evidence as to what a reasonable charge should be, then no management fee should be charged to the leaseholders in the service charge year 2023/24.

2024/25 Service Charge Year in Advance – Items

77 In this element of the subject matter of the Application, the Tribunal has regard to the point that the final amount for any amount levied will be open to further challenge once confirmed in a final account for the service charge year. The applicants accordingly made submissions on the amounts that they consider to be reasonable estimates for the items in the Demand, and the Tribunal decided as follows:

(xxxiii) *Insurance November 2024/2025 + Brokers fee*

78 Having regard to the applicants' submissions in relation to the demand for insurance and brokers fee in the 2023/24 year, the Tribunal finds that £5,000 would be a reasonable amount to levy in advance in 2024/25 in advance for insurance inclusive of brokers fee.

(xxxiv) *Common parts Electricity*

79 The Tribunal finds that £653 would be a reasonable amount to charge in advance for electricity, being an inflationary increase on the assessed amount for electricity in the 2023/24 year.

(xxxv) *Common Parts Cleaning*

80 The Tribunal finds that £800 would be a reasonable amount to charge in advance for common parts cleaning, reflecting the amount previously chargeable for that item in the 2023/24 year.

(xxxvi) *Maintenance of Communal Gardens*

81 The Tribunal agrees that £350 would be a reasonable amount to charge in advance for maintenance of communal gardens.

(xxxvii) *Window Cleaning*

82 Since the lease does not provide for this item to be levied, as set out at (v) above, as a service charge, the Tribunal finds accordingly that it is not payable as such.

(xxxviii) Fire Health & Safety Testing, Services and Repairs

83 The Tribunal finds that £950 would be a reasonable amount to charge in advance for fire health & safety testing, services and repairs, reflecting the submissions of the Applicants.

(xxxix) Gutters Cleaning & Inspection

84 The Tribunal finds that £300 would be a reasonable amount to charge in advance for gutters cleaning & inspection, reflecting the submissions of the Applicants.

(xl) Fire Health & Safety risk assessment

85 The Tribunal finds that £450 would be a reasonable amount to charge in advance for fire health & safety risk assessment, reflecting the submissions of the Applicants.

(xli) Drains service

86 The Tribunal agrees that £250 would be a reasonable amount to charge in advance for drains service.

(xlii) Accountant

87 The Tribunal agrees that £738 would be a reasonable amount to charge in advance for accountancy services.

(xliii) Management fee December 2024/2025

88 The Tribunal finds that £1800 would be a reasonable amount to charge in advance for management, reflecting the submissions of the Applicants and the Tribunal's view of appropriate remuneration levels.

(xliv) *Repair fund (if needed)*

- 89 The applicants submitted that there is no evidence of previously levied repair fund amounts being spent on repair items and that the accumulated funds should be sufficient to address any unforeseen repair items. The Tribunal accepts this and finds that no amount of contribution in advance for repair funds should be levied in the Demand in advance.

Application under s.20C and Sch 11 para 5A

- 90 Section 20C of the 1985 Act enables a tenant to apply for an order that all or any of the costs incurred, or to be incurred, in connection with the proceedings before the Tribunal are not to be regarded as relevant costs to be taken into account in determining the amount of service charge payable by the tenant or any other person specified in the application. By virtue of section 20C (3) the Tribunal may then make such order as it considers just and equitable in the circumstances.
- 91 Further, Section 5A of Schedule 11 to the Commonhold & Leasehold Reform Act 2002 permits a tenant to apply for an order reducing or extinguishing the tenant's liability to pay a particular administration charge in respect of litigation costs, including costs in proceedings in the First-tier Tribunal. The Tribunal may make whatever order on the application it considers to be just and equitable.
- 92 The Applicants indicated within their application form that they apply for such orders.
- 93 The Tribunal has determined significant reductions to the service charges levied across the service charge items considered. The Tribunal therefore finds it just, equitable, and reasonable to decide that the respondents shall not seek to recover the costs incurred in relation to these proceedings from the applicants or the other persons named by them as part of the service charge, or from the applicants by way of any administration charge.
-

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 should be made on Form RP PTA available at <https://www.gov.uk/government/publications/form-rp-pta-application-forpermission-to-appeal-a-decision-to-the-upper-tribunal-lands-chamber>

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).