



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

Case reference : **LON/OOBE/LSC/2025/1131**

Property : **Flat 326, South City Court, 52 Peckham Grove, London, SE15 6AU.**

Applicant : **Philip Johnson**

Representative : **none**

Respondent : **South City Court RTM Company Ltd**

Representative : **Rachel Crofts Director of South City Court RTM Company Ltd
Sam Jones Managing Agent**

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

Tribunal members : **Mr R Waterhouse FRICS
Mr M Banton FRICS MC Arb.**

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

**Date of hearing/
decision** : **1 April 2026**

DECISION

Decisions of the Tribunal

- (1) **The Tribunal determines the service charge for the item challenged, that is the £6344.05 demanded in 2024/25 for the replacement of electrical infrastructure and for support equipment to enable continued electrical supply to part of the development is not payable by the Applicant.**

(2) The Tribunal does make an order under section 20C of the Landlord and Tenant Act 1985 and the Commonhold and Leasehold Reform Act 2002 Paragraph 5A of Schedule 11.

Background

1. The Applicant made an application dated 14 October 2025 for determination of liability to pay and reasonableness of service charges for the following service charge years; 2024/2025 in respect of payment of a diesel generator and associated costs which amounted to £6,344.05.
2. The Applicant further seeks orders pursuant to Section 20C of the Landlord and Tenant Act 1985 and paragraph 5A of Schedule 11 of the Commonhold and Leasehold Reform Act 2002.
3. Directions were given on 12 November 2025 , and subsequently amended , for disclosure by the Respondent landlord to the Applicant tenant by 12 January 2026, the Applicant tenant's case to be sent to the Respondent landlord by 26 January 2026, and the Respondent landlord's case by 9 February 2026, with the Bundle to be supplied by the Applicant by 23 March 2026.
4. The Applicant states the amount in dispute is approximately £6344.05 less £364.92.
5. For the Applicant Philip Johnson acted for himself and was accompanied by a witness Nicholas Dice. For the Respondent Rachel Crofts Director of South City Court, 52 Peckham Grove, London SE15 6AU and Sam Jones the managing agent.

The Property

Layout

6. The Tribunal initially requested the parties set out the nature and extent of the property and the development within which it is contained.
7. The property is a two-bedroom flat within a development. The development comprising four blocks. Viewed from the road there are two adjacent and adjoining blocks. At ground level the blocks are separated by a vehicle access route to the remaining two further blocks to the rear.
8. From the road there is a converted 1930/50s light industrial building of up to six storeys this is known as Block A. On the right of Block A is a former residential set of buildings painted white, these are known as Block D. Also known in part as "Listed House". The building that bridges the vehicle access route between the two main Blocks A and D comprises first, second, third, fourth and fifth floors.

9. Through the vehicle access two other Blocks B and C are present, these do not form part of the hearing.

The Property – numbering and access.

10. There are 113 flats in total contained within Block A and Block D. Block A comprises six storeys, on the ground floor the units were formerly commercial but converted to residential after the previous conversion from light industrial to residential. The ground floor units are numbered 30 to 36. The upper floors are numbered; 101, 201, 301 and 401 onwards.
11. Four of the flats contained in the bridge section are accessed using a stairwell located within Block A. These flats are known postally as flats 324, 325, 326 and 327.
12. The subject property flat 326 is contained in the bridge section.
13. Block D, the converted residential block, contains seven flats within the main building and a further two flats' numbers 8 and 9, are within the lower bridge section. The tribunal was advised that Flats 8 and 9 are accessed from a stairwell located within Block D.

The Property- supply of electricity.

14. The ground floor units of Block A, the converted commercial building, have their own electricity supplies. The units above ground floor, of Block A main building have a common electrical supply. All the flats within the bridge section including those that are accessed through Block A, that is 324, 325, 326 and 327, are supplied with electricity supply linked to that of Block D.

The Property-works

15. From [44/206] failure of the power supply to the Block A occurred on 22 May 2024 and a generator was installed on 23 May 2024. The failure was a join in the busbar, part of the electrical distribution system. On 4 June 2024 the Respondent approached UK Power Networks and engaged an engineer to look at the “contract estimates and the general situation.”
16. A project manager Camelian was appointed shortly after. A number of contractors were approached shortly afterwards.
17. The RTM pursued a temporary replacement, that allowed the removal of the generators, whilst allowing for a permanent connection.
18. From [66/206], the document titled “Meeting Notes- 19th June 2024” suggested the cost of the generators and fuel was likely to account for 75 to 80% of the total project cost.

19. A number of flats [82/206] continued to be supplied with electricity in the normal way from the grid after the power outage. The Applicant's flat was one such flat. The Applicant noted that the generators allowed for continued service for the communal areas and some residences, while the Applicant continued to pay for mains electricity used within their flat.

Section 20ZA Dispensation application

20. By earlier Application LON/OOBE/LDC/2024/0218 the RTM sought dispensation from the Landlord and Tenant Act 1985 section 20ZA. By decision dated 25 February 2026, dispensation was granted.

The Issue detailed

Applicant position

21. The Applicant [82] identified they were in receipt of a service charge demand requiring payment of £6344.05 by 2 August 2024.

22. The specific concerns are;

	Lease reference
“Generator & Diesel / Temporary Power” of £247,221 covers the full cost of the diesel used during the outage the Applicant contending that their flat did not require electricity from the generator and so it was unfair to pay for an apportioned amount of the diesel.	Schedule 4 Clause 2(b) ...service charge should be “fair and reasonable”
“Generator & Diesel/ Temporary Power” specifically associated with communal v individual flat usage. Division requested but not received by Applicant Concern whether considerations were made regarding flats that did not require diesel for direct electricity consumption) The current method of allocation aligns with lease terms stipulating fairness and proportionality	Schedule 4 clause 10 (a) requires the freeholder exercises discretion in a fair and reasonable manner when assessing and allocating the charges among leaseholders.
Landlord and Tenant Act 1985	
Consumer Rights Act 2015	
Landlord and Tenant Act 1985 section 21 and section 22	

Respondents case

23. The Respondent [141/206] asserts the Fourth schedule to the lease requires the tenant to contribute towards the costs incurred in carrying out works and services to the Block. Further that the Sixth schedule obliges the Landlord (and by extension the RTM company) to maintain, repair and provide services to the building and common parts.
24. The Respondent asserts [142/206] that the generator and associated works were necessary emergency measures required to maintain essential building services, ensure health and safety of residents and prevent the building from becoming uninhabitable.
25. The Respondent contends that the decision to procure and operate generators was reasonable in the circumstances the costs were incurred in response to an unforeseen and serious failure on the advice of contractors and consultants in the context requiring urgent action.
26. The Respondent submits the costs were reasonably incurred in the circumstances.
27. The Respondent contends the lease permits recovery of costs relating to maintenance and repair of the building and its common parts, provision of services and facilities and works affecting the block.
28. The Respondent further contends at 5.7 in the Respondent's Statement of Case, [142/206]; the applicant's lack of direct use of the generator does not determine liability under the lease the service charge regime is based on collective benefit rather than individual consumption. The generator supported essential shared infrastructure including lifts, water supply, common lighting and estate services."
29. The Respondent says, the Applicant acknowledges that his flat experienced reduced water pressure during the period demonstrating reliance of building wide systems.
30. The Respondent at 5.11 states "the allocation applied was based on the lease structure and the advice available at the time. A payment of £364.92 was subsequently made to the Applicant to reimburse electricity costs incurred directly, with the intention of ensuring the Applicant was not placed under a greater financial burden than the other leaseholders.

The Lease

31. The Tribunal had reference to the full lease at [110/109].

Analysis and findings

Lease address

32. The lease supplied is for Flat 13. The subject flat is known postally as Flat 326.
33. The Tribunal observes that the number 13 would fit in with the numbering of Block D rather than Block A.
34. Both parties agreed that the lease supplied, although it was numbered Flat 13 actually related to Flat 326. The Respondent explaining that the number in the lease related to a numbering scheme in place when the conversion was contemplated and that a subsequent revised numbering system had been adopted.
35. The Tribunal makes a finding that the lease supplied in the Bundle known as Flat 13 is for the flat known as 326.

Service Charge Liability

36. The lease provides;

“Group A Service means residential only 1.639%”

“Charge Proportion residential and commercial 1.384% [97/206]”

Group A Service Charge Item – means an item of expenditure which is (or is intended) to be chargeable (in whole or in part) to the lessees of the Block (both residential and commercial).

Group B Charge Item -means an item of expenditure which is (or is intended) to be charged (in whole or in part) to the lessees of the Block in common with the lessees and/or occupiers and /or owners of other parts(s) of the Estate.

“the Block ... means the block of flats to be known as South City Court Phase II Block D as shown edged blue on the Block Plan save for the ground floor area under the part of the building showing hatched on the Block Plan provided that the extent of the Block may be amended from time to time during the Term by the Landlord.”

37. The Applicant submitted that their power was not interpreted because they were on a different electrical supply, and therefore it was unfair for them to be charged for the repair. The Respondent confirmed that Block D was not affected but that the Applicant’s flat formed part of Block A and so they considered it fair to charge for the repair.
38. The Tribunal had recourse to the various lease plans, the Site and Location Plan on [133/206], which shows a blue line around the outline of No 46 Building D; and the Lease Plan Fifth Floor that shows Flat 13 denoted edged red.

39. The property outlined in red matches the location on the plan where the subject property was located, that is in the part of the building known as Block D as shown edged blue and hatched black on the Site and Location Plan.
40. Given the parties agree that the lease provided, albeit labelled Flat 13 in fact relates to Flat 326, then the terms in the lease also relate to Flat 326.
41. The lease states the services for which the landlord can recover costs are defined on a Block basis. In this case the lease, defines the block as Block D. This is supported by the lease plan narration stating the demised property, subject property, is in Building D.
42. The tribunal makes a finding that the subject premises is in Block D for the purposes of the service charge.

Determination

43. The Tribunal is required to consider the construction of the lease in determining at the first stage what is the extent of the property the lessor can recover their costs for. After which the tribunal would second, need to consider whether the specific item was one covered by the lease and then third onto whether the cost incurred was reasonable.
44. Given the Tribunal has found the property is in Block D, and it was the power supply to Block A that was repaired, the landlord cannot recover costs from leaseholders of Block D for repairs to Block A.
45. The ancillary contentions of the Respondent, namely that the applicant benefited from communal services and the water pressure fall way. Whilst these may or may not be true the definitive test is for what property under the lease is the leaseholder required to pay. The Tribunal finds it relates to Block D, and the costs incurred relate to Block A. Therefore, the service charge demand of £6344.05 is disallowed.
46. Given the determination it is unnecessary for the Tribunal to consider the other matters in the Applicant's schedule contained in paragraph 22 above.

Application for section 20 and para 5A schedule 11

47. The Tribunal in consideration of whether to make an Order under section 20 C and or paragraph 5a schedule 11 has had recourse to the outcome of the application.
48. The Applicant has been successful. The Tribunal determines it will make an Order under Landlord and Tenant Act 1985 section 20C and the Leasehold and Commonhold Reform Act 2002 paragraph 5A and of schedule 11. The effect of

the order is that the landlord cannot pass the cost of the proceedings on to the Applicant by service charge or administration charge.

Chair: Waterhouse FRICS

Date: 1 April 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).