



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

Case reference : **MAN/00BR/LSC/2024/0235**

Property : **Flat 5, 19 Lord Street, Broughton,
Salford M7 1UA**

Applicant : **Ian Wilkie (1) Giles Cooley (2)**

Representative :

Respondent : **Rockwell (FC 101)**

Representative : **Stephen Evans Counsel
JB Leitch Solicitors**

Type of application : **For the determination of the
reasonableness of and the liability to
pay a service charge**

Tribunal members : **Judge J White
Ms S D Latham (valuer)**

Venue : **Northern Residential Property First-tier
Tribunal, 1 floor, Piccadilly Exchange, 2
Piccadilly Plaza, Manchester, M1 4AH**

Date of decision : **25 February 2026**

DECISION

Decisions of the Tribunal

- (1) The Tribunal determines that the amount payable by the Applicants in respect of service charges relating to management fees for the service charge years 2022/23, 2023/24 and 2024/25 is reduced by 20%. All other service charge heads in dispute are payable in full for the reasons set out below.
- (2) The Tribunal makes directions as to costs.

The application

1. The Applicants seek a determination pursuant to s.27A of the Landlord and Tenant Act 1985 (“the 1985 Act”) as to the amount of service charges payable by the Applicants in respect of the service charge years 2022/23, 2023/24 and 2024/25.
2. The Applicants made the application on 26 June 2024. On 6 May 2025, the Tribunal issued Directions. In accordance with those directions both parties submitted a bundle of documents as set out below.
3. The relevant legal provisions are set out in the Appendix to this decision.

The hearing

4. At the first hearing listed for 3 September 2025 Ian Wilkie appeared in person and the Respondent was represented by Counsel Stephen Evans. At that stage all years in dispute were estimates as the Respondent had not been able to produce accounts, due to the change in managing agents on 1 April 22 from Contour (now known as Onward) to Inspired Property Management Ltd (IPM). The hearing was adjourned as Stephen Evans suggested that final accounts could be produced within 22 weeks and once produced may narrow the issues. The hearing was adjourned with directions as set out below. The parties complied with directions. Ian Wilkie attended the reconvened hearing. The Respondent was represented by Stephen Evans. Liza Aimes attended as a witness for Estates and Management Limited who are responsible for Buildings insurance. Sarah Parkyn attended as a witness for ILM.

The background

5. The property which is the subject of this application is Flat 5, 19 Lord Street, Broughton, Salford M7 1UA (the “Property”). It is in a purpose built block of 6 flats over 4 floors (“the Building”).
6. The Applicants’ ownership of the Property is derived from a long residential lease for 250 years dated 22 December 2010 made between

(1) Countryside Properties (Northern) Limited and (2) Hoi Yan Heddy Chan (“the Lease”).

7. The Lease requires the landlord to provide services and the tenant to contribute towards their costs by way of a variable service charge. The Fifth Schedule of the Lease sets out the services which are to be provided by the Respondent and for which the service charges are payable.
8. The Lease defines Dwellings as “the flats forming part of the Block”. The Block is defined as “the land edged in green on Plan 2 together with the building erected thereon comprising in total 6 flats known as Plots 33-38 together with the Communal Areas”. The Communal Areas are defined as “those parts of the Block laid out as communal areas gardens and shared accessways footpaths and bin store as the case may be”. Private parking spaces, landscaping areas and accessways are defined separately as Central Areas”
9. This forms part of the Estate known as “Land in the north side of Clarence Street, Salford’ (“the Estate”). The Council of the City of Salford is the registered freehold proprietor of the Estate, (“the Freeholder”). Countryside Properties (Northern) Limited and Countryside Properties Land (One) Limited and Countryside Properties Land (Two) Limited hold intermediate head leases that arise from the freehold title
10. Photographs of the Building were provided in the hearing bundle. Neither party requested an inspection. Taking into account the issues in dispute, the Tribunal did not consider that one was necessary, nor would it have been proportionate to do so. This is because the quality of any services provided, except the management services, were not in dispute.
11. The specific provisions of the lease will be referred to below, where appropriate.
12. The amounts demanded are:
 - (i) 2021/22 -£2,186.76 final demand
 - (ii) 2022/23 - £2,025.58 budget estimate demanded. £278.27 balancing credit.
 - (iii) 2023/24 -£2,451.42 budget estimate and £73.12 balancing charge.
 - (iv) 2024/25 - £2,946.64 budget estimate and £1,166.74 balancing credit.

The Applicant's case

13. The Applicants main issue was the apparent increase in service charges following the change in the managing agent from Contour (now known as Onward) to IPM on 1 April 2022. Since that time, they have only received demands for estimated service charges. The estimates now include charges for 21 Lord street and separate estate management charges that appeared to be retained by Onward. They have been requesting transparency from IPM since the changeover, and this has not been provided. This increase and uncertainty have meant they have been unable to sell their flat. They have been concerned about the Respondent receiving bad press and IPM receiving bad reviews. There seems to be extra layers of management that have added to the cost.
14. Their service charge for 2022/3, 2023/4 and 2024/5 is around £3000 and that is unreasonable taking into account the size of the block and that it was built as low cost affordable housing. There are no lift, gardens or additional services. All service charge items should be reduced.
15. Following the adjournment, the Respondent produced the final accounts for all 3 years. The Applicants now say the Respondents had not complied with s20B of the Landlord and Tenant Act 1985 (S20B) and the accounts are not final accounts as required by the lease. The Applicants also repeated their general issues above. They reduced their specific items in dispute to insurance, fire safety, and management fees. They produced some detailed benchmarking from online searches. They contend that the level of those charges is too high and the quality of management provided by IPM is poor, due to lack of transparency as set out below.
16. At the final hearing, Stephen Evans wanted the Tribunal to decide on the final accounts alone. Ian Wilkie still wanted to pursue the reasonableness of the estimates as well as challenge the final accounts. The Tribunal's view was that this case was still about estimated service charges and in addition, as the issues are now limited, the Tribunal was able to decide whether the final adjustments are payable, though has to decide all the relevant issues raised by the Applicants, particularly as the mechanisms of the Lease and costs are at issue.

The Respondents' case

17. The Respondents case is that
 - (i) The Applicants have not set out a prima facie case.
 - (ii) The estimates were reasonable at the time of issue and was based on historic spend, anticipated cyclical work and IPM's extensive professional knowledge

and experience. The demands were made within 18 months and so s20B is not relevant.

- (iii) The service charges and the final accounts are in accordance with the lease and best practice.
- (iv) Following the adjourned hearing IPM have changed the way the accounts are set up as set out below. They no longer charge for any services for 21 Lord Street. This means that the Applicants now pay 1/6 of the block costs (as opposed to 1/12 of two block cost). Their estimates included an estate charge from Onward. Onward have since confirmed that they will not be charging IPM for estate costs and so adjustments have been made following the final accounts.
- (v) As the accounts have been finalised the Tribunal should assess the reasonableness and payability of those accounts
- (vi) Service charges for insurance, fire safety, management fees are within a reasonable range and within the range of the benchmark figures produced by the Applicants. These figures are not true comparators.

18. 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.

Mechanisms in the lease and general issues

s20B of the Landlord and Tenant 1985

19. In accordance with s20B a leaseholder is liable to pay a service charge in respect of costs incurred less than 18 months before the landlord makes a contractually valid demand for payment, unless they have been notified in writing within the 18-month period that, the costs had been incurred and a demand for a contribution through a service charge will be made later.
20. As Lady Justice Arden said at paragraph 17 of Skelton v DBS Homes (Kings Hill) Ltd [2017] EWCA Civ 1139 *“In my judgment, it is clear from the definition of “service charge” in section 18 that section 20B applies to service charges in respect of costs to be incurred as much as costs that have been incurred.”* The Court of Appeal went on to hold that this is so as long as it was a valid demand made in accordance with the lease.

21. The notification must include a statement that the tenant is required under the terms of their lease to contribute to those costs. It does not need to detail exactly what proportion of the costs the tenant will be liable for (Brent LBC v Shulem B Association [2011] EWHC 1663 (Ch)).

The Terms of the Lease

22. The service charges are payable by the Applicants in advance on the half yearly dates pursuant to Clauses 4.3 to 4.5 of the Lease. Clause 4.3 provides that “in respect of every Service Charge Year by two equal instalments in advance on the Half -yearly dates...the Tenant shall...pay a due proportion of the Current Service Charge Contribution to the Landlord”. Those dates are 1 April and 1 October. Clause 4.4 provides that leaseholders are “to pay to the Landlord on demand a proportion of any Additional Contribution that may be levied by the Landlord.” Clause 4.4 provides that the leaseholder “pay to the Landlord on demand a Proportion of any Additional Contribution that may be levied by the Landlord” Additional Contribution is defined as “any amount which the Landlord shall reasonably consider necessary for any of the purposes set out in the Fifth Schedule for which no provision has been made within the service charge...”
23. The Fourth Schedule relates to computation of the service charge. Paragraph 1 and 2 relates to estimates, 3 to adjustments 4 to supply a summary
24. The Service Charge consists of Block costs and Estate costs for the purposes mentioned in the Fifth Schedule. It includes services, reserve funds and administration in accordance with paragraph 2 of the Fourth Schedule. Paragraph 2.1 of the Fourth schedule provides that the Service Charge shall consist of “the expenditure estimated as likely to be incurred in the Service Charge Year ..for purposes mentioned in the Fifth Schedule”.
25. Paragraph 6 of the Fourth schedule provides “If in the opinion of the landlord it should anytime become necessary or equitable to do so the landlord shall recalculate the proportion of the service charge ... in a manner the landlord should consider to be equitable and shall notify the tenants accordingly as from the date specified in the notice the new proportion notify to the tenant”
26. Paragraph 3 provides that “At the end of each service charge year the landlord shall determine the service charge adjustment calculated as set out below 3.1 the service charge adjustment shall be the amount ... by which the respective estimates under paragraph 2 of this schedule shall have exceeded or fallen short of the actual expenditure in the service charge year 3.2 the Tenant shall be credited with or shall on demand pay as the case may be the proportion of the service charge adjustment appropriate to the property”.

27. Paragraph 4 provides that “subject to the provisions of paragraph 2.3 of the schedule audited accounts purporting to show the amount of the service charge or the amount of the service charges adjustment but any service charges shall be conclusive of such amount save as regards manifest errors”
28. Paragraph 5. provides that “The landlord shall arrange for accounts of the service charge in respect of each service charge year to be prepared and shall supply to the tenant a summary of such accounts”

The demands for estimated service charges

29. Demands for the service charge are raised to be paid on 1 April and 1 October each year. They are contained at Appendix one of the Respondents disclosure statements [From page 54]. The demand for payments from Contour dated 22 February 2021 for the year 2021/22 were accompanied by estimates, a brief narrative, the proportion payable and a statement of rights and obligations. They were made in accordance with the lease. The demands by IPM were in the form of an invoice for half yearly service charges in advance consisting of the total amount due and accompanied by a summary of tenants rights and obligations and sent within a few days of the start of the period due [from page 58]. The estimate (headed statement of anticipated service charge of expenditure) for 2022/23 was sent to the Applicants on 16 September 2022 [68]. The estimate for 2023/24 was sent to the Applicants on 30 March 2023 [69]. The estimate for 2024/25 was sent to the Applicants on 2 April 2024 [69]. All estimates provided a detailed breakdown.
30. All invoices and summary of rights and all estimates were provided within 18 months. For example, the estimate for the period 1 April 2023 to 30 September 2023 was demanded on 30 March 2023, the same date as the half yearly charge in advance (1 April to 30 September 2023). It was clear this was an estimate. This was in accordance with Clause 4.3 and paragraph 2.1 of the Fourth Schedule as set out above.

Conclusion

31. In conclusion we found that all the demands and estimates were sent in accordance with the Lease. They were provided within 18 months, accompanied by a summary of rights and obligations and were therefore valid demands in accordance with s20B of 1985 Act.

Balancing charges

32. The Budget demands were apportioned differently to the balancing charges. The differences were stated as follows:

- (i) Schedule A: External Block Charges. This was charged at 8.333% on the Budget (12 Flats in 19 and 21 Lord street) and 16.666% in the balancing demands (6 Flats in 19 Lord Street)
 - (ii) Schedule B (Internal Block charges for 19 Lord street (4 Flats) 12.5% where is this in the balancing demand.
 - (iii) Schedule C (Gate charges) 12.5%? in the Budget And taken out of the balancing charge. The budgets included an estimate for Contour costs. The final balancing demand did not and IPM has confirmed that there will be no service charges attributable to Contours costs.
 - (iv) Following the balancing charges the Respondent stated that Schedules C and D relate to 21 Lord Street only.
 - (v) Schedule E: Estate costs: Estate costs were not included in the budgets. They include items such as accountancy fees, grounds maintenance, professional fees, refuse removal and sundries. Schedule E was added in to the balancing charges at 3.03%
33. The Respondents have produced a new matrix taking out costs attributable solely to 21 Lord street.
34. The Respondent stated in their supplementary Statement of case [paragraph 12 at 159] that the costs for 19 Lord Street are split into two schedules; Schedule A which relates to the exterior of the Block and the structure which is split between all 6 apartments, and Schedule B which relates to the costs of maintaining the internal communal areas which are split between the four apartments that have access to the internal areas. Schedules C and D relate to 21 Lord Street, which the leaseholders of 19 Lord Street do not contribute towards, and Schedule E relates to the estate charges; which are the costs of the external areas such as the car park area maintained by IPM. The only schedule which is contributed to by both 19 Lord Street and 21 Lord Street is Schedule E; which is the estate costs. The estate costs typically includes, *inter alia*, costs such as accountancy fees, grounds maintenance, professional fees, refuse removal and sundries.
35. At paragraph 16 they say the service charge matrix disclosed at Annex 1 clearly separates what charges are split between the 'Block' and the 'Estate'. The Applicants' properties are situate within the '19 Lord Street Block' and each contribute 16.66666667 of the service charge apportionment for that Block under Schedule A of the service charge

apportionments. The Applicants also contribute towards the 'Estate' charge are share a 3.03% contribution with the whole of the Estate

36. However, in the first statement of case the Respondents stated that "*The Development consists of two buildings housing six residential flats each, together with Communal Areas and there is a shared gated car park area to the rear. These blocks are the 19 and 21 Lord Street ("the Block").*" At the initial hearing Stephen Evans set out this was because the land edged in green for Plots 33-38 consisted of two buildings 19 and 21 Lord street and these were separated by a road. It was difficult from a black and white plans to ascertain whether these plots consisted of more than one building. The Lease definition set out above clearly refers to "*the land...together with the building ..comprising 6 flats known as Plots 33-38 together with the Communal Areas*" (my emphasis) There is no reference to a second building. This is supported by the First schedule that refers to "*the building within the Block of which the property forms part*" The language of the Lease is clear, and this should take precedence over the plan. This is supported by the accounting practices of Onwards up to April 2022. In any event the Tribunal do not need to decide this as the Respondents have now changed their practice and, excepting Estate costs do not include any costs for 21 Lord street as set out above.
37. The Fifth Schedule refers to Service Charge Payments in the Block, Central and Common Areas and the Estate as specified for particular costs set out in that schedule.
38. Certified accounts have been served on the Applicants for the periods 31 March 2023, 31 March 2024 and 31 March 2025 along with the balancing adjustments set out above. The demands for the balancing charges are in Annex 2 of the Supplemental bundle.
39. The Respondent contends that in accordance with the best practice recommendations in the Tech 03/11 guidance, IPM have served a service charge statement which includes an income and expenditure statement, a balance sheet, and they have been prepared on an accruals basis. The statement has been subject to examination by an independent accountant and produced in accordance with Appendix C of the Tech 03/11
40. The Applicants contends that as accounts have not been audited, they are not final accounts and so are not payable.
41. It is found that Paragraph 5 of the Fourth Schedule of the Lease provides that the Respondent shall arrange for the accounts of Service Charge or the amount of the Service Charge Adjustment for any Service Charge Year to be prepared and shall supply the Applicants with a summary only of such accounts. There is no requirement for the Accounts to be audited. The reference to auditors in paragraph 4 of the Fifth schedule only states that if there are audited accounts they "*shall be conclusive of such*

amounts save for manifest errors". This is purely a dispute mechanism as opposed to a requirement. It is usual practice for an accountant or auditor to only scrutinise a proportion of invoices. The Applicants have not disputed any specific invoice.

42. The Respondent is entitled to issue balancing credits/demands in accordance with paragraph 3 of the Fourth Schedule of the lease.
43. Contours accounts for 19 Lorde street did not include accounts for other blocks in the Estate and were thereby clear and understandable.
44. The Lease at paragraph 5 of the Fourth schedule does not provide a time limit for arranging for accounts, nor for supplying a summary of those accounts to Tenants. Nor is this provided for elsewhere. The delay in providing the final accounts and adjustments is not consequently in breach of the Lease, though the extent of the delay is in breach of best practice as set out below under management fees.

Conclusion

45. In conclusion the Tribunal found that the budgets and balancing charges were calculated on different apportionment bases. The budgets initially included costs relating to both 19 and 21 Lord Street, and anticipated costs from Onward. The balancing adjustments excluded most of those costs. This resulted in differing percentage contributions across schedules. As set out below this did not make a significant overall difference to the amount payable. Though both methods were reasonable, added to the delays in producing final accounts, it did contribute to the lack of transparency in decision making.
46. The Tribunal accepts the Respondent's evidence following clarification at final hearing, that costs attributable solely to 21 Lord Street have now been excluded, save for estate costs properly recoverable under Schedule E. There will be no further costs from Onwards.
47. The Tribunal is satisfied that the balancing charges are calculated and adjustments made in accordance with the lease. Any balancing charges are payable by or credited to the Applicants as appropriate.

Service Charge Items in Dispute

Management Fees: The Tribunal's decision

48. The Tribunal determines that the amount payable in respect of management fees is reduced by 20%. The amount payable is:

- (i) £192 for 2022/23: This is 1/6 of £1,152 (£1,440 with a 20% reduction)
- (ii) £206.40 for 2023/24: This is 1/6 of £3128.40 (£1,548 with a 20% reduction)
- (iii) £ 228.8 for 2024/25: This is 1/6 of £1336.80 (£1,671 with a 20% reduction)

Reasons

- 49. Management fees are recoverable under paragraph 12.5 of the Fifth Schedule of the lease.
- 50. The main reason for the Applicants claim was the lack of transparency and confusion over the estimates and accounts, including the final accounts. The Tribunal found that IPM have not undertaken their managing agent's responsibilities to the standards required by RICS, in the delay in producing accounts. In fact, the accounts were only finally produced due to this application. Though Stephen Evans had initially suggested an adjournment on this basis the Respondents then instructed him to oppose such an adjournment. In addition, the estimates were worked out on a different basis to the final balancing accounts. The estimates included 21 Lord street and Onward Estate charges. The balancing charges did not. The accounts added to the continued confusion by comparing the old, estimated amounts (inclusive of 21 Lord street) with the new method of calculating the actual amounts (separating out 19 and 21 Lord street, though still including figures for 21 Lord street). In addition, there does not seem to be as yet a clear break down with a total amount payable for each block.
- 51. The Respondent relied on being fully compliant with RICS Service Charge Residential Management Code Tech03/11 which provides best practice guidance for the preparation of service charge accounts for residential properties.
- 52. The Applicants contend there is double counting with Onward. They provided a Google search that shows that typically management fees range from £250 per annum per flat (plus VAT) to as much as £500 or more per unit for high-end, amenity-heavy developments. Full property management typical fees are around 8-20% of monthly rent in most of the UK.
- 53. The Tribunal has not reduced the management fees any further as:
 - (i) Ian Wilkies only other relevant direct criticism of IPM is for referring him to Onward when they billed

him in error is not sustainable. Onward and IPM have no connection.

- (ii) Ian Wilkie's contention that there is a multi-layered managing agents is not supported by evidence. Onwards no longer charges estates charges. J B Leitch are independent solicitors and not part of, or connected to, the managing agents.
- (iii) The general criticisms found in press releases and online are, by their nature general, and Ian Wilkie could not point to how they relate to actions by the Landlord or IPM in this case. Neither did he produce specific evidence that there was some connection between the Respondent and ICM or any impact on their services.
- (iv) Ian Wilkie has provided general benchmark figures from Google. These are by their very nature general and although they provide some useful information on the range of fees, he has not provided direct comparators. The range provided is in fact in line with the fees charged by IPM. The Tribunal also found it was in line with range of managing agents fees for this type of development.

54. As a consequence, the costs are reduced by 20% for all 3 years in dispute.

Insurance amount claimed: The tribunal's decision

55. The tribunal determines that the full amount claimed for building insurance after balancing charges is payable in respect of insurance. This is:

- (i) £228.16 for 2022/23: This is 1/6 of £1,369 (estimate of £1,250 for both Blocks)
- (ii) £245.83. for 2023/24: This is 1/6 of £1,475 (estimate of £2,936 for both Blocks)
- (iii) £254.17. for 2024/25: This is 1/6 of £1,525 (estimate of £3,376 for both Blocks)

56. The estimates demanded were reasonable as at the time of the estimate.

Reasons

57. Insurance is recoverable under paragraph 15 of the Fifth Schedule of the lease.
58. The Respondents say insurance is arranged on a portfolio basis and by doing so leverage a scale placement to secure comprehensive cover from a leading real estate insurer (Zurich); each building is rated accordingly to its own set of circumstances. The insurance rate is determined by the insurer/broker on the basis of the risk profile of the specific building.
59. The Tribunal finds that the Respondents have provided cogent evidence, that the cover in place was obtained in the usual course of business and from a reputable insurer in accordance with Havenridge Ltd v Boston Dyers Ltd (1994) 49 E.G. 111 CA. The terms of the lease do not provide a further limiting factor on the cover and so provides the Respondent with discretion on how to charge the leaseholders within the confines of s19 of the Act.
60. Ian Wilkie contended that as he had insured his flat, he was paying for building insurance twice. However, it is clear that the Respondents insurance is to cover their liability, including for the common parts. All the costs were evidenced by invoices and the insurance schedules as set out in the bundle and in detail by Stephen Evans at the hearing. The Applicants have not put at issue the liabilities to be insured.
61. The Applicants contended the charges for 21 Lord street were included and so the cost was double what it actually was. The Tribunal finds that including 21 Lord street does not impact on the actual cost paid by the Applicants. If the total cost was double (insurance for two Blocks), then the cost per Dwelling would be the same. This is because it would be split between twice as many Dwellings (twelve as opposed to six). The insurance for each block did not vary to any great extent, if at all.
62. However, as explained above this confusion was not totally unfounded. In addition, the estimate did double for 2023/24, and the Respondent did not explain fully why this was so until the final hearing. They explained that this estimate was based on the last accounts of Onward. Onward had, in error, only included insurance for a 6 month period and IPM had corrected this error in the 2023/24 estimates and the final balancing charges. This explanation is accepted as evidenced by the invoice in the bundle and general lack of clarity in the transition to IPM.
63. Ian Wilkie has also provided general benchmark figures from internet searches, AI queries and Nimblefins insurance website. These are by their very nature general and although they provide some useful information on the range of fees, he has not provided direct comparators. The range provided is between £1,200 – £3,000 for the Building. As the Respondent contends, this is in fact in line with the service charge fees for insurance. They range from £1369 to £1525 which is between £228.16 and £254.17 per dwelling. This is at the lower end as would be expected

for a Block of this nature. It was in line with range of reasonable insurance. The use of a portfolio or block insurance policy has not increased the insurance beyond these benchmark figures.

64. As such the insurance costs are reasonable and payable.

Fire safety: The Tribunal's decision

65. The tribunal determines that the full amount is payable in respect of fire and general safety service charge items. This is:

- (i) £94.10 for 2022/23: This is 1/6 of £565
- (ii) £195.5. for 2023/24: This is 1/6 of £1,173
- (iii) £132.17. for 2024/25: This is 1/6 of £793

66. The estimates are reasonable as follows

- (i) 22/23 are £576 for fire alarm testing and maintenance, and £820 for fire & health & safety risk assessment.
- (ii) 23/24 are £1200 for fire maintenance £600 for smoke detect and AOV maintenance and £700 for safety maintenance.
- (iii) 24/25 are £600 for solar panel maintenance, £900 for fire and H&S risk assessment and £700 for safety maintenance.

Reasons

67. All charges relating to fire and general safety are recoverable under Schedule 5 paragraph 21 of the lease.
68. All the costs were evidenced by invoices as set out in the bundle and as explained in detail by Stephen Evans at the hearing. Ian Wilkie did not have any direct criticism of those individual charges and accepted the importance of fire and general safety. Neither did he say they were not carried out to a reasonable standard. His case in this regard was not entirely clear, accept that he thought the charges for 21 Lord street were included and so the cost was double what it actually was. As explained above this confusion was not totally unfounded.

69. In addition, the changes in the estimate headings added to the lack of clarity and were not fully explained. However, the estimates and balancing charges are reasonable when looking at the individual invoices and considering the reasons for the spending together with what was at issue. The costs included a monthly testing fee of £37.50 plus VAT. In addition, the costs included on 25 January 2022, £561.60 for a fire risk assessment; on 25 February 2023, £408.00 for a health & safety risk assessment, on 25 March 2024, £869.00 for a height verification report and on 25 April 2025, £310.00 for a fire and health & safety risk assessment. Ian Wilkie said at the hearing he was not taking issue with the individual costs or standards.
70. Ian Wilkie has provided general benchmark figures from internet searches. They say the costs for a block such as theirs is between £250 and £600 depending on the complexity of the building. These are by their very nature general and although they provide some useful information on the range of fees, he has not provided direct comparators. As the Respondent contends, the Applicants have provided quotes for fire risk assessments only and have not provided quotes for health & safety risk assessments that are also included in these costs. The Applicants have therefore not obtained information on a like for like basis. Despite this the costs are in fact within the range provided by the Applicants.
71. The Tribunal concludes that the head of expenditure within the accounts for fire risk assessment and health & safety risk assessment is within a reasonable range expected for this type of property, particularly post Grenfell.
72. The estimate demanded was not so out of line and based on historic information. Ian Wilkie was more concerned with overestimates, and this was an area where they underestimated the costs, particularly in 23/24. This was largely a result of an additional survey in relation to the Building Safety Act.
73. These costs are consequently reasonable and payable.

Costs and refund of fees

74. The Applicants have requested that the Respondents not be permitted to recover their costs. Paragraph 5A of schedule 11 to the Commonhold and Leasehold Reform Act 2002 makes provision for the Tribunal to reduce or extinguish the lessee's liability to pay contractual costs. Section 20C of the 1985 Act, makes provision so that the Respondent may not pass any of its costs incurred in connection with the proceedings before the tribunal through the service charge. The Tribunal may make whatever

order on the application “it considers just and equitable.” The Applicants have also made an application for a refund of the fees that they had paid in respect of the application and hearing.

75. Stephen Evans requested that the tribunal issue directions in respect of costs.
76. No determination as to the costs application is made. Costs and return of fees are reserved pending compliance with directions.

Directions

1. The Parties are directed as follows:
 - a. Within 28 days, the Respondent shall submit any claim they may have for tribunal only costs, including grounds for any claim and a detailed schedule of costs. The schedule must include itemisation by type of work, reason for the work, time taken, and cost, including details of expertise and hourly rate of fee earner.
 - b. The Applicants have 28 days to submit any response to the application for costs.
2. Any further determination required by the Tribunal shall be by paper unless either party requests an oral hearing, or the Tribunal decides it is necessary to fairly determine any remaining issues.
3. Delivery of documents to be by email to the other party and to the Tribunal.

Name: Judge J White

Date: 22/04/ 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).

Appendix of relevant legislation

Landlord and Tenant Act 1985 (as amended)

Section 18

- (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.

Section 19

- (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 provisions 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.

Section 27A

- (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) Subsection (1) applies whether or not any payment has been made.
- (3) 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 would be payable,
 - (b) the person to whom it would be payable,
 - (c) the amount which would be payable,
 - (d) the date at or by which it would be payable, and
 - (e) the manner in which it would be payable.
- (4) No application under subsection (1) or (3) may be made in respect of a matter which -
 - (a) has been agreed or admitted by the tenant,
 - (b) has been, or is to be, referred to arbitration pursuant to a post-dispute arbitration agreement to which the tenant is a party,
 - (c) has been the subject of determination by a court, or
 - (d) has been the subject of determination by an arbitral tribunal pursuant to a post-dispute arbitration agreement.
- (5) But the tenant is not to be taken to have agreed or admitted any matter by reason only of having made any payment.

Section 20

- (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) 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.

Section 20B

- (1) If any of the relevant costs taken into account in determining the amount of any service charge were incurred more than 18 months before a demand for payment of the service charge is served on the tenant, then (subject to subsection (2)), the tenant shall not be liable to pay so much of the service charge as reflects the costs so incurred.
- (2) Subsection (1) shall not apply if, within the period of 18 months beginning with the date when the relevant costs in question were incurred, the tenant was notified in writing that those costs had been incurred and that he would subsequently be required under the terms of his lease to contribute to them by the payment of a service charge.

Section 20C

- (1) A tenant may make an application for an order that all or any of the costs incurred, or to be incurred, by the landlord in connection with proceedings before a court, residential property tribunal or the Upper Tribunal, or in connection with arbitration proceedings, are

not to be regarded as relevant costs to be taken into account in determining the amount of any service charge payable by the tenant or any other person or persons specified in the application.

- (2) The application shall be made—
 - (a) in the case of court proceedings, to the court before which the proceedings are taking place or, if the application is made after the proceedings are concluded, to a county court;
 - (aa) in the case of proceedings before a residential property tribunal, to that tribunal;
 - (b) in the case of proceedings before a residential property tribunal, to the tribunal before which the proceedings are taking place or, if the application is made after the proceedings are concluded, to any residential property tribunal;
 - (c) in the case of proceedings before the Upper Tribunal, to the tribunal;
 - (d) in the case of arbitration proceedings, to the arbitral tribunal or, if the application is made after the proceedings are concluded, to a county court.
- (3) The court or tribunal to which the application is made may make such order on the application as it considers just and equitable in the circumstances.

Commonhold and Leasehold Reform Act 2002

Schedule 11, paragraph 1

- (1) In this Part of this Schedule “administration charge” means an amount payable by a tenant of a dwelling as part of or in addition to the rent which is payable, directly or indirectly—
 - (a) for or in connection with the grant of approvals under his lease, or applications for such approvals,
 - (b) for or in connection with the provision of information or documents by or on behalf of the landlord or a person who is party to his lease otherwise than as landlord or tenant,
 - (c) in respect of a failure by the tenant to make a payment by the due date to the landlord or a person who is party to his lease otherwise than as landlord or tenant, or
 - (d) in connection with a breach (or alleged breach) of a covenant or condition in his lease.
- (2) But an amount payable by the tenant of a dwelling the rent of which is registered under Part 4 of the Rent Act 1977 (c. 42) is not an administration charge, unless the amount registered is entered as a variable amount in pursuance of section 71(4) of that Act.

- (3) In this Part of this Schedule “variable administration charge” means an administration charge payable by a tenant which is neither—
 - (a) specified in his lease, nor
 - (b) calculated in accordance with a formula specified in his lease.
- (4) An order amending sub-paragraph (1) may be made by the appropriate national authority.

Schedule 11, paragraph 2

A variable administration charge is payable only to the extent that the amount of the charge is reasonable.

Schedule 11, paragraph 5

- (1) An application may be made to the appropriate tribunal for a determination whether an administration 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) Sub-paragraph (1) applies whether or not any payment has been made.
- (3) The jurisdiction conferred on the appropriate tribunal in respect of any matter by virtue of sub-paragraph (1) is in addition to any jurisdiction of a court in respect of the matter.
- (4) No application under sub-paragraph (1) may be made in respect of a matter which—
 - (a) has been agreed or admitted by the tenant,
 - (b) has been, or is to be, referred to arbitration pursuant to a post-dispute arbitration agreement to which the tenant is a party,
 - (c) has been the subject of determination by a court, or
 - (d) has been the subject of determination by an arbitral tribunal pursuant to a post-dispute arbitration agreement.
- (5) But the tenant is not to be taken to have agreed or admitted any matter by reason only of having made any payment.
- (6) An agreement by the tenant of a dwelling (other than a post-dispute arbitration agreement) is void in so far as it purports to provide for a determination—
 - (a) in a particular manner, or

(b) on particular evidence,
of any question which may be the subject matter of an application
under sub-paragraph (1).