FIRST-TIER TRIBUNAL

PROPERTY CHAMBER
(RESIDENTIAL PROPERTY)

Case reference	**:**	HAV/45UC/LSC/2025/0738
Property	**:**	1 St Augustine Road, Littlehampton, West Sussex, BN17 5NG
Applicant	**:**	Rami Sabah Amin Julie Ellen Pullen Chris Goodman SEC Property Services Ltd Victoria Bramley Keith Stephen Gains Chris Williams
Representative	**:**	Litigants in person
Respondent	**:**	Assethold Limited
Representative	**:**	Eagerstates Limited
Type of application	**:**	Determination of liability to pay and reasonableness of service charges Section 27A Landlord and Tenant Act 1985
Tribunal Members	**:**	Tribunal Judge E Bowden Tribunal Judge M Loveday Tribunal Member M Williams
Venue	**:**	Havant Justice Centre
Date of Hearing	**:**	13 March 2026
Date of decision	**:**	05 May 2026

DECISION

Summary of Decision

(1) The Tribunal determined that the respondent did not comply with the consultation requirements of s.20 LTA 1985 with regard to the Back Roof Works; therefore, they were limited to recovering £250 from each of the applicants for the Back Roof Works. The service charge payable by each of the applicants in the 2023/24 service charge year in respect of the "Back Roof Works" is £250.

(2) The Tribunal determined the following sums were reasonably incurred by the respondent during the 2023/24 service charge year:

a. £270 in total for "stairway signage and joinery redecoration".

b. £250 in total for "Touching up the paintwork in the communal areas"

The service charges payable by each applicant in respect of these costs were therefore limited to £33.75 and £31.25 respectively.

(3) The Tribunal granted the applicant's application under s.20C of the LTA 1985.

(4) The Tribunal granted the applicants' application for reimbursement of Tribunal fees.

Introduction

1. The applicants seek a determination pursuant to s.27A of the Landlord and Tenant Act 1985 ("LTA 1985") and Schedule 11 to the Commonhold and Leasehold Reform Act 2002 ("CLRA 2002") as to the amount of service charges and (where applicable) administration charges payable by the applicants in respect of the service charge years 2023-2024 and 2024-2025.

2. The matter relates to seven of the eight leasehold flats at 1 St Augustine Road, Littlehampton, West Sussex, BN17 5NG. ("St Augustine Road").

3. The applicants are:

a. Rami Amin Flat 7, who appeared in person at the hearing.

b. Julie Pullen Flat 1, who appeared in person at the hearing.

c. Chris Goodman Flat 5, who appeared in person at the hearing.

d. SEC Property Services Ltd Flat 8, who did not attend the hearing, but whose case was put forward by Mr Amin, Mr Goodman and Ms Bramley.

e. Victoria Bramley Flat 3, who appeared in person at the hearing.

f. Keith Gains Flat 4, who did not attend the hearing, but whose case was put forward by Mr Amin, Mr Goodman and Ms Bramley.

g. Chris Williams FLAT 2, who did not attend the hearing, but whose case was put forward by Mr Amin, Mr Goodman and Ms Bramley.

(the "applicants")

4. Flat 6 was not a party in the application.

5. The respondent is Assethold Limited, and their representative is Eagerstates Limited. Eagerstates Limited is the managing agent for St Augustine Road. Neither Assethold Limited nor its representative, Eagerstates Limited, attended the hearing.

6. The Tribunal had the benefit of a 109-page Hearing Bundle and a 174-page Lease Bundle containing copies of the leases for flats 1/2/3/4/5/7/8. Page references to the hearing bundle are [XX].

Background

7. St Augustine Road comprises 8 self-contained flats/studios in a converted Victorian end-terrace property, with shared access via a communal hallway, stairs, and landing.

8. The Leases for Flats 1/2/3/4/5/7/8 are broadly similar, with differences in start date and term.

	Date	**Term**
Flat 1	05 January 2018	99 years
Flat 2	20 July 2018	125 years
Flat 3	29 May 2018	125 years
Flat 4	Not on the face of the document provided	99 years
Flat 5	19 August 2016	99 years
Flat 7	17 December 2015	99 years
Flat 8	17 December 2015	99 years

9. The service charges provisions within the seven leases before the Tribunal are the same and contained in Clause 1, Clause 2, Clause 3, the Fourth Schedule, the Sixth Schedule, and the Seventh Schedule. Each flat pays a 1/8 proportion. The relevant provisions of the leases are set in Schedule 1 below.

10. On 09 January 2025, the St Augustine leaseholders made an application for the right to manage. On 20 May 2025, 1 St Augustine Road, Littlehampton (RTM) Ltd ("the RTM Company") acquired the right to manage.

11. This application relates to the following issues and associated charges. The Tribunal has used the applicants' list of issues to assist the applicants:

    Issue 1: Disputed Electrical Works service

    Issue 2: Estimated Service Charge Refund (March-September 2025)

    Issue 3: Predictive Invoice Padding / Final Balances

    Issue 4: Ground Rent Administrative Charges – Pre-emptive Dispute

    Issue 5: Roof Works – Section 20 Non-Compliance and Misrepresentation

    Issue 6: Overcharged Services

The Hearing

12. The case was listed for 10:00 on 13/03/26. The Tribunal clerk confirmed that the directions and the hearing notice had been sent via email and post to both Assethold Limited and their representative, Eagerstates Limited and that no response had been received. At 10:00, the applicants were in attendance, but neither the respondent nor its managing agent were. The Tribunal allowed some additional time for the respondent and or its managing agent to attend. By 10:15, they had not attended in person or contacted the Tribunal. The matter was called on at 10:15.

13. The Tribunal established the identity of those attending and their authorisation to represent those applicants not in attendance. The Tribunal was satisfied that Mr Amin, Mr Goodman and Ms Bramley were authorised to put forward the cases for SEC Property Services Ltd (Flat 8), Keith Gains (Flat 4), and Chris Williams (Flat 2). The applicants confirmed that the Tribunal had the correct documents and that their position statement contained all the information and documents they wanted to put before the Tribunal.

14. It was established that Mr Amin, Mr Goodman and Ms Bramley would present the case for the applicants collectively. Ms Pullen confirmed that she was happy with this.

The applicants' position

15. The applicants' position statement set out the agreed facts at [32] and their submissions on all the issues they raised.

16. The applicants confirmed they were content to proceed on an issue-by-issue basis, and that Mr Amin, Mr Goodman and Ms Bramley would individually present the case for the issue that they had prepared.

The respondent's position

17. Neither the respondent nor its managing agent responded to the application. Neither the respondent nor its managing agent filed any evidence. Neither the respondent nor its managing agent filed a position statement. Neither the respondent nor its managing agent attended the hearing.

The Lease

18. Under the leases, the Total Service Cost (Sch.6 para 1.2) is the aggregate amount of:
    a. Costs incurred under the Sixth Schedule
    b. Costs considered reasonable by the landlord as a reserve towards future expenses
    c. A reasonable management charge if it does not engage managing agents to manage the building/common parts
19. The Service Charge means the portion (1/8 per leaseholder in this case) of the Total Service Charge (Sch.6 para 1.3)
20. The Interim Charge is the sum to be paid on account of the Service Charge, of which there are two equal payments on account on 25 March and 29 September. (Sch.6 para 1.4 and 2))
21. In the event of it being necessary for the landlord to undertake urgent work to the Building/Common Parts involving major expenditure not covered by the Interim Charge the Landlord has the right to demand from the leaseholders the Proportion of such expenditure. (Sch.6 para 1.4.1) The sum is then immediately due and payable. The sum constitutes part of the Interim Charge, and the landlord may revise their estimate (Sch.6, para 1.4.2). This is an ad hoc demand as it falls outside the prescribed Interim Charge payment dates of 25 March and 29 September.
22. The Sixth Schedule provides that the landlord can recover costs related to the landlord's obligations under the Fifth Schedule of the lease. The Fifth Schedule obliges the landlord to keep the main structure including the roof

in good repair. The Sixth Schedule specifies (para 2) that the amongst other things, the cleaning lighting repair renewal decoration and maintenance of the Common Parts fall within the Service Charge.

The Law

Service charge s18 LTA 1985

23. LTA 1985 defines service charge in s18.

> *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."*

Limitation of service charges: reasonableness s19

24. S19 of the LTA provides:

> *(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.

25. In Waaler v Hounslow LBC [2017] EWCA Civ 45, the Court of Appeal said what mattered was the outcome. The question of whether the landlord had acted reasonably was an objective one, and the interests of the tenants had to be taken into account. The tribunal should not simply impose its own decision. If the landlord had chosen a course of action which led to a reasonable outcome, the costs of pursuing that course would have been reasonably incurred, even if there was another cheaper outcome which was also reasonable

Liability to pay service charges S27A

26. The Tribunal has the power to determine service charges under s27A LTA 1985. The Tribunal's jurisdiction is limited by s27A(4).

Limitation of service charges: consultation requirements S.20

27. For qualifying works, the landlord must comply with Pt.2 of Sch.4 to the Service Charges (Consultation Requirements) (England) Regulations 2003. The relevant period for observations to be given in relation to a Statement of Estimates is not less than 30 days beginning with the date of the notice : see reg.2 and paras 4(10) and 5, of Sch.4). If requirements are not met and no dispensation is granted under s.20ZA, the landlord's recovery is limited to £250 per tenant (Reg. 6).

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) 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.

Right to manage, Commonhold and Leasehold Reform Act 2002

28. The right to manage is governed primarily by Part 2, Chapter 1 of the Commonhold and Leasehold Reform Act 2002 (CLRA 2002), supported by several sets of regulations and amendments. The outgoing management company is obliged to provide all information reasonably required by the right to manage company to enable it to manage the property (s93-97 CLRA 2002). Under s94, there is an obligation on the outgoing manager to transfer all unspent service charge monies to the incoming right to manage company. Under s96, management functions are handed over, and the outgoing

manager must stop exercising management functions. Under s97, a landlord and managing agents are not entitled to do anything which the right to manage company is required or empowered to do under the lease by virtue of section 96, except in accordance with an agreement made by them and the right to manage company.

The issues, findings, reasons and determinations

29. Having heard submissions from the applicants and considered all of the documents provided, the Tribunal has made determinations on the various issues as follows.

Issue 1: Disputed Electrical Works

Applicants' case

30. The applicants say that the £30,576 invoiced for communal electrical works is not payable because:

    a. The works were not approved by the RTM Company, which acquired the right to manage on 20 May 2025.

    b. No work was or has been carried out.

31. As a result of an annual inspection conducted by BNO in April 2024 [39], monitoring of an electrical issue was required, and that BNO did not specifically state that electrical work was required. The issue involved the main electrical board. Any work done would result in power being cut to certainly individual flats and likely to whole property.

32. Although the s.20 process had been followed in 2024, no steps were taken to further the electrical works until February 2025, after the right to manage application was made in January 2025.

33. On 25 February 2025, the RTM Company emailed the managing agent, highlighting the 20 May 2025 intended take over date, and asking for information to aid the handover [43].

34. On 26 February 2025, the managing agent sent an ad hoc demand for payment of the leaseholders' share of the electrical work.

35. Once it acquired the right to manage on 20 May 2025, the RTM Company and various leaseholders notified the managing agent that the electrical works were not approved and that no work should be undertaken.

36. On 27 May 2025, the leaseholders received further notice that the electrical works would commence and be carried out on 16, 18, and 23 June 2025. The managing agent's email [44] indicated work was to be carried out in conjunction with UP Power Networks and would involve a controlled shutdown of the building's power.

37. On 28 May 2025, the RTM Company emailed and wrote (via recorded delivery) to the managing agent stating that the work was not approved and the RTM was not permitting it. Various individual leaseholders also sent emails to the managing agent in the same terms at various times.

38. On 27 May 2025, Mr Ronni Gurvits from the managing agent emailed Mr Gains stating, 'the works will shortly proceed, they have been long instructed'. [78]

39. On the 16th, 18th, and 23rd June 2025, the applicants say there was no power disruption to the building's flats, and no person from either UK Power Networks or any electrical firm was seen in the building. The main power board appeared to be unchanged to the leaseholders. The photos of the electrical cupboard showing the main electrical board taken from 20 May 2025 and 21 December 2025.

Findings and reasons

40. It is accepted that, in relation to the electrical works, there was a s.20 consultation and that the relevant process was followed. The issue is whether the leaseholders must pay for work allegedly commissioned by the managing agent. The applicants say that the managing agent knew about the impending right to manage because a Notice of Claim under s.79 of the 2002 Act was given on 09 January 2025. There was no urgency to the works; there have been no power issues. The alleged power issue had existed since April 2024, and there had been no material change in February 2025 save for the leaseholders notifying the respondent and its agent of their intention to obtain the right to manage.

41. The Tribunal notes that the demand for payment of contribution to the electrical works falls under the 'ad hoc' provisions of para 1.4.1 of Sch.7 to the Lease. Para 1.4.1 permits ad hoc demand only where it is necessary to undertake urgent work on the building or common parts that involves major expenditure not covered by the Interim Charge.

42. The Tribunal finds that the electrical works were not "urgent", within the meaning of para 1.4.1, as they had been known about since April 2024, and there had been no change in their status. Given that the work was not urgent, there was no power under the lease to make an 'ad hoc' demand.

43. The Tribunal was concerned that the respondent appeared to have taken steps to commence major works, including demanding significant sums of money from leaseholders, in the knowledge that the RTM would, in all likelihood, take effect within 3 months of the ad hoc demand.

44. The lack of urgency is further supported by the lack of evidence that any electrical work was in fact undertaken. There was no evidence of any contract for works between the outgoing managing agent and the electrical contractor.

45. The Tribunal notes that, as a result of the RTM Company acquiring the right to manage on 20 May 2025, there is a separate statutory framework under the Commonhold and Leasehold Reform Act 2002 for an incoming RTM company to recover service charge monies held by the landlord or its managing agents.

46. The applicants accept that the s.20 process was followed and have apparently paid the sums demanded under the ad hoc service charge demands. Their case is that no work has been carried out, nor can it be, as the RTM Company has taken over management of St Augustine Road. It will not now proceed with the electrical works as allegedly commissioned by the managing agent before the acquisition date. Since the moneys paid for the works have not been expended on those works, it follows that the moneys remain held by the respondent or its agents.

47. Under s.27A LTA 1985, the Tribunal can determine whether sums demanded by the landlord/agent were payable as service charges. However, the Tribunal cannot, under this application, make orders directing the outgoing manager to transfer service charge or reserve funds to the RTM Company; that relief lies under the CLRA 2002 right to manage enforcement regime.

48. The Tribunal has no jurisdiction under this application to make any determinations or orders in relation to money paid by the applicants to the outgoing managing agent under a service charge demand where that money is now part of a reserve fund held by the outgoing managing agent; the RTM Company can, if so advised, engage the relevant enforcement process.

49. The Tribunal finds that the ad-hoc demands for the Electrical Works did not comply with para 1.4.1 of Sch.7 to the Lease, because they related to works which were not “urgent” on the evidence. Moreover, the sums demanded were greater than was reasonable under s.19(2) LTA 1985, because the demand was made at a time when the right to manage was being acquired, and the costs were unlikely to be incurred.

Determination

50. The sum demanded for the Electrical Works is not payable by the applicants as a service charge and it is not reasonable under s.19(2) LTA 1985. For the avoidance of doubt, the Tribunal makes no determination or order directing any transfer of monies to the RTM, as it does not have jurisdiction under this application; any handover of service charge trust funds falls to the CLRA 2002 right to manage enforcement route.

51. The Tribunal cannot under the present s.27A LTA 1985 application i) make a determination or order directing any transfer of monies to the RTM or ii) make any determination relating to any contracts the respondent may or may not have entered into for the disputed Electrical Works, as it does not have jurisdiction under this application.

Issue 2: Estimated Service Charge Refund (March-September 2025)

Applicants' case

52. The applicants say that the managing agent demanded the regular service charges for a period after which the RTM Company had acquired the right to manage. At [52], there is a regular service charge demand from the managing agent for the period March 2025- September 2025. The RTM acquired the right to manage on 20 May 2025.

Findings and reasons

53. The Tribunal accepted that the RTM Company acquired the right to manage on 20 May 2025.

Determination

54. For the reasons set out above, the Tribunal has no jurisdiction in this application to make any determinations or orders in relation to money paid by the applicants to the outgoing managing agent under a service charge demand. The RTM Company can, if so advised, engage the relevant enforcement process.

Issue 3: Predictive Invoice Padding / Final Balances

Applicants' case

55. The applicants seek a direction that any "post-RTM invoices" must be supported by proper documentation. At the hearing, it was explained that this was not a standalone objection. In effect, it supported the other arguments.

Findings and reasons

56. On the evidence before the Tribunal, there are no demands from the managing agent for sums that it says it incurred before the RTM Company acquired the right to manage.

Determination

57. The Tribunal has no jurisdiction under s.27A LTA 1985 to make directions about future conduct. Its jurisdiction is limited to determining payability of service charges.

Issue 4: Ground Rent Administrative Charges – Pre-emptive Dispute

Applicants' case

58. The applicants' concern is that the managing agent may attempt to levy administrative charges for the collection of ground rent, following the acquisition of the right to manage by the RTM Company. However, at the hearing they conceded no such demands had in fact been levied.

Findings and reasons

59. On the evidence before the Tribunal, there are no demands from the managing agent for administrative charges.

Determination

60. There are no demands (or proposed demands) for payment of any "administrative charges" relating to ground rent. The Tribunal has no jurisdiction to make a determination where no such charges have been intimated.

Issue 5: Roof Works – Section 20 Non-Compliance and Misrepresentation

Applicants' case

61. On 20 March 2024, leaseholders were given a s.20 Notice of Intention in relation to "External Tile Works". The External Tile Works s.20 process and charge was not challenged.

62. On 25 June 2024, the leaseholders received another s.20 Notice of Intention in relation to "Back Roof Works" [72-73].

63. On 14 August 2024, leaseholders were given a notice to compare contractors regarding Back Roof Works; this was the Statement of Estimates . The notice stated that the consultation period would end on 18 September 2024 [74].

64. On 15 August 2024, the leaseholders were emailed by the respondent's agent, who stated that substantial cost savings could be achieved if External Tile Works and Back Roof Works were carried out at the same time. The

leaseholders were given until 16 August 2024 to respond (i.e. the next day), and they were informed that unless a majority objected, the Back Roof Works would go ahead. [78].

65. Some leaseholders raised concerns with the managing agent about whether the Back Roof Works were identical to previous works.

66. On 16 August 2024, the respondent invoiced roof works [80]. The applicants say that the work was carried out before the consultation period expired.

67. The applicants say that the Back Roof Works s.20 process was non-compliant and that any sums owed for the Back Roof Works should be limited to £250 under s.20 LTA 1985. They point to there being 1 day allowed to respond to the managing agent's email dated 15 August 2024, before the contractor was appointed, even though the consultation was to run to 18 September 2024, as set out in the 'Notice accompanying statement of estimates in relation to proposed works' [75].

Findings and reasons

68. The applicants do not challenge the External Tile Works, nor do they challenge the s.20 process undertaken in relation to them.

69. The applicants challenge the s.20 process undertaken for the Back Roof Works. The Notice of Intention is dated 25 June 2024.

70. On 14 August 2024, the leaseholders were sent a Statement of Estimates. The Statement of Estimates specifically invited the leaseholders' observations and stated that the consultation period would end on 18 September 2024.

71. On 15 August 2024, the managing agent emailed the leaseholders, stating that they had until 16 August 2024 to object to the External Tile Works contractor performing the Back Roof Works at the same time. Some leaseholders did apparently object.

72. Under The Service Charges (Consultation Requirements) (England) Regulations 2003, regulation 2, the "relevant period", in relation to a notice, means the period of 30 days beginning with the date of the notice.

73. Neither the respondent nor its managing agent responded to the application, and there is no application for dispensation under s.20ZA to be considered.

Determination

74. The Tribunal finds that the respondent did not comply with the consultation requirements of s.20 LTA 1985 with regard to the Back Roof Works. Although the Statement of Estimates gave the lessees the requisite 30 days to provide observations, that period was cut short the very next day, and the contract was let during this 30-day period. It follows that the respondent did not have regard to observations as required by para 5 of

Pt.2 of Sch.4. The Tribunal therefore limits the contributions by each of the applicants to the Back Roof Works to £250 under s.20 LTA 1985.

Issue 6: Overcharged Services

Applicants' case

75. The applicants challenge three specific items of cost in the "Accurate Service Charge Account September 2023/2024"

    a. £300 was incurred for: "Low Headroom Marking"

    b. £575 was charged for: "Joinery redecorating"

    c. £750 was charged for: "Communal area touch up".

    d.

76. The applicants say:

    a. The low headroom work consisted of three strips of sticky black-and-yellow tape. A reasonable sum should be £50 for the work done.

    b. The repainting of the joinery work was small in amount and poorly carried out. A reasonable sum should be £250 as a day rate.

    c. The touching up of the communal area work was minimal and poorly carried out. A reasonable sum should be £250 as a day rate.

77. The applicants did not provide estimates or quotes. The applicants provided photographs relating to each challenged item [93, 95, 96]. The "Accurate Service Charge Account September 2023/2024" is at [97] and shows the charges included and invoices also included in the bundle [92, 94, and 95]. The applicants say that the photographs were provided to them by the managing agent with the Accurate Service Charge Account September 2023/2024.

Findings and reasons

78. The Tribunal carefully considered the invoices and photographs provided. The Tribunal had been informed by the applicants that the photographs were provided to them by the managing agent with the 'Accurate Service Charge Account' (being the year-end account).

79. The Tribunal, using its expertise and applying s.19(1) LTA 1985, determined that these costs were not reasonably incurred. The respondent's decision to

incur the various costs did not produce a reasonable outcome, because the costs were excessive:

a. The safety tape and joinery painting were invoiced on 09 July 2024 and 10 July 2024, respectively. The managing agent should have known that these two items of work needed to be done by the same contractor at the same time. Moreover, the rate claimed for applying 3 strips of tape (£300) and redecorating joinery (£575) were unreasonably high, in the light of the work done, as shown in the photographs.

b. The rate claimed (£750) for touching up the communal areas was objectively unreasonable based on the work done, as seen in the photographs.

Determination

80. Applying its own experience, the Tribunal limits the amounts to the following:

a. £270 in total for "Joinery redecoration stairway signage". The Tribunal apportioned the reasonable costs as follows: £20 for the tape and £250 for the redecorating, as a reasonable sum for the work done and on the basis that it would be reasonable to undertake the work on a single attendance.

b. £250 in total for "Communal areas touch up" as a reasonable sum for the work done.

81. Each applicant's share is one-eighth, as per their lease. The Tribunal therefore determines that the applicants are each liable to pay £33.75 and £31.25 for these two heads of cost in the 2023/24 service charge year

Section 20C Application and Refund of Fees

Application

82. The applicants ticked the box on the s.27A LTA 1985 application form to indicate that they wished to apply for costs limitation orders under s.20C LTA 1985 and para 5A of Sch.11 to the CLRA 2002.

83. Similar principles apply to both applications. The case law is summarised in Conway v Jam Factory [2013] UKUT 0592 (LC) at [51] to [58]. In Schilling v Canary Riverside Development PTE Ltd (2006) LRX/26/2005, HHJ Rich stated at [14] that:

> *"In service charge cases, the "outcome" cannot be measured merely by whether the Applicant has succeeded in obtaining a reduction. That would be to make an Order "follow the event". Weight should be given rather to the degree of success, that is the proportionality between the complaints and the Determination, and to the proportionality of the complaint, that is between any reduction achieved and the total of service charges on the one hand and the costs of the dispute on the other hand."*

Background

84. The applicants have succeeded in their application where the Tribunal has jurisdiction. Neither the respondent nor its agent has responded to the application nor engaged in the process.

Findings and reasons

85. The most significant reduction arose from the landlord's failure to comply with the s.20 process. The Tribunal was concerned about the landlord's conduct regarding the electrical works in February 2025, amid an impending RTM company takeover.

86. The Tribunal was also concerned about the managing agent's conduct in relation to the electrical works in February 2025, in the face of an impending RTM company acquisition.

Determination

87. Having heard the submissions from the applicants and taking into account the determinations above, the Tribunal determines that it is just and equitable in the circumstances for an order to be made under s.20C of the LTA 1985, so that the respondent may not pass any of its costs incurred in connection with the proceedings before the Tribunal through the service charge.

88. Having heard the submissions from the applicants and taking into account the determinations above, the Tribunal orders the respondent to reimburse the applicants for any Tribunal fees paid by the applicants within 28 days of the date of this decision. The applicants are to provide details to the respondent within 7 days of this decision.

Name: Tribunal Judge E Bowden **Date:** 05 May 2026

Schedule 1 – Lease Key Clauses and Schedules

(emphasis supplied)

Clause 1 (1.1-1.21)

1.14 the "Service Charge" and the "Interim Charge" are more particularly defined in the Seventh Schedule.

Clause 2

2. In consideration of the Premium and the rents and covenants contained in this Lease the Landlord demises to the Tenant the Premises together (in common with the Landlord and all others authorised by them or otherwise entitled) with the Granted Rights insofar as the Landlord is able to grant such rights but excepting and reserving to the Landlord and all others authorised by him or otherwise entitled the Reserved Rights for the Term the Tenant paying to the Landlord by way of rent without any setoff or deduction whatsoever the Rent which shall be paid by two equal payments in advance on 25 March and 29 September in each year the first payment being made on the execution of this Lease in respect of the period from the date of this Lease to the next following rent payment day.

Clause 3

3. The Tenant covenants with the Landlord to observe and perform the covenants and obligations contained in the Fourth Schedule hereto.

The Fourth Schedule (Tenants Covenants) (1-32)

1. To pay the Rent at the times and in the manner set out in this Lease without any deduction and to pay forthwith on demand any interest that may be due in respect of any payment due under this Lease.

…

8. To pay all proper costs charges and expenses (including solicitors' costs and architects' and surveyors' fees) reasonably incurred by the Landlord for the purposes of or incidental to the preparation service or enforcement (whether by proceedings or otherwise) of:-

8.l Any notice under Section 146 or 147 of the Law of Property Act 1925 (as amended) requiring the Tenant to remedy a breach of any of the Tenant's covenants herein contained notwithstanding that forfeiture for such breach shall be avoided otherwise than by relief granted by the Court

8.2 Any notice to repair or schedule of dilapidations accrued during the Term or accrued at or prior to the end or sooner determination of the Term whether or not served during the Term.

8.3 The payment of any all arears of the Rent Interim Charge or Service Charge or interest payable thereon.

29. Insofar as the same do not fall within the amount of the Service Charge to pay a fair proportion to be determined by the Surveyors for the time being of the Landlord whose decision shall be binding upon the Tenant of the expenses payable in respect of constructing repairing rebuilding cleansing and maintaining all roads pavements party

walls party structures Service Conduits and other things the use of which is common to the Premises and to other property.
30. To observe and conform to the regulations set out in the Eighth Schedule hereto and to all other reasonable regulations and restrictions made by the Landlord for the proper management of the Building and notified in writing by the Landlord to the Tenant from time to time Provided That the same shall not unreasonably interfere with the Tenant's use of the Premises.
31. To pay to the Landlord the Interim Charge and the Service Charge at the times and in the manner provided in the Seventh Schedule both of which shall be recoverable in default as rent in arrear.
32. If the Rent the Interim Charge or the Service Charge or any other sum due from the Tenant to the Landlord under the terms of this Lease or any part of any of them shall at any time be more than fourteen days overdue to pay to the Landlord interest thereon at the rate of four per cent above Lloyds TSB Bank Plc's Base Rate from time to time in force from the date upon which it first became due until payment (and whether before or after judgment) and such interest shall be paid by the Tenant to the Landlord by way of further rent PROVIDED THAT nothing in this clause shall entitle the Tenant to withhold or delay any payment after the date upon which it first falls due or in any way prejudice affect or derogate from the rights of the Landlord under the proviso for re-entry.

The Sixth Schedule (Items falling within the Service Charge) (1-16)

1. The obligations on the part of the Landlord in Part II of the Fifth Schedule to this Lease
2. The cleaning lighting repair renewal decoration and maintenance of the Common Parts and all Service Conduits now or hereafter to be laid in the Building (other than those exclusively serving any individual flat therein).
3. The repair maintenance renewal and replacement of the heating appliances and plant and machinery in the Building which do not exclusively serve the Premises or any individual flat in the Building
4. The cleaning of the exterior of the windows of the Building
5. The payment of all existing and future rates taxes duties assessments charges impositions and outgoings whatsoever whether parliamentary parochial local or of any other description which from time to time shall be assessed charged imposed or payable on or in respect of the Building as a whole or the curtilage or Common Parts or any part thereof
6. The engagement of the services of surveyors or agents to manage the Building and the Common Parts and to collect the rents and to carry out such other duties as may from time to time reasonably be assigned to them by the Landlord
7. The keeping of such staff to perform such services as the Landlord thinks reasonably necessary in or about the Building and the Common Parts but so that the Landlord shall not be liable to the Tenant for any act default or omission of such staff
8. The payment of all reasonable legal charges incurred by the Landlord:-
8.1 in the running and management of the Building and the Common Parts and in the enforcement of the covenants conditions and regulations contained in the leases granted of U1e various flats in Building and
8.2 in making such applications and representations and taking such action as the Landlord shall reasonably think necessary in respect of any notice or order or proposal

for a notice or order regulation or bye-law in respect of the Building or any part thereof or the Common Parts

The Seventh Schedule (Computation of the Service Charge) (1-8)

1. In this Lease unless the context otherwise requires:-

1.1 "Accounting Period" means a year (or part thereof) commencing on the first day of January or such other date as may be substituted therefor at the discretion of the Landlord

1.2 "The Total Service Cost" means the aggregate amount in each Accounting Period:-

1.2.1 Incurred in connection with any of the matters referred to in the Sixth
Schedule

1.2.2 Considered reasonable by the Landlord as a reserve towards future expenses of a periodical or non-annually recurring nature in connection with any of the
said obligations or matters

1.2.3 A reasonable management charge if it does not engage managing agents to manage the Building and the Common Parts

1.3 "The Service Charge" means the Proportion (or such other revised percentage as the Landlord deems reasonable from time to time) of those matters comprised in the Total Service Cost

1.4 "The Interim Charge" means such sum to be paid on account of the Service Charge in respect of each Accounting Period as the Landlord (or its Managing Agents or Auditors) shall reasonably specify to be a fair estimate of the Service Charge that will be payable by Tenant PROVIDED THAT:-

1.4.1 In the event of it being necessary for the Landlord to undertake urgent work to the Building or the Common Parts involving major expenditure not covered by the Interim Charge the Landlord shall have the right forthwith to demand from the Tenant the Proportion of such expenditure whereupon the same shall immediately become due and payable and shall constitute part of the Interim Charge; and

1.4.2 The Landlord may revise such estimate in respect of an Accounting Period during that period if it shall be fair and reasonable to do so in the circumstances

2. The first payment on account of the Interim Charge (on account of the Service Charge for the accounting period during which this Lease is executed) shall be paid to the Landlord on the execution hereof and thereafter shall be paid to the Landlord in advance by two equal instalments on the 25 March and 29 September in each year

3. If the Interim Charge paid by the Tenant in respect of any Accounting Period exceeds the Service Charge for that period then such excess shall be carried forward by the Landlord and credited to the account of the Tenant in computing the Service Charge in succeeding accounting periods (or in the case of the Accounting Period ending on the termination of this Lease) shall be refunded to the Tenant by the Landlord.

4. If the Service Charge for any accounting period exceeds the total of the Interim Charge paid by the Tenant in respect of that accounting period and any surplus brought forward from the previous Accounting Period brought forward then the Tenant shall

pay such excess to the Landlord within fourteen days after service upon the Tenant of the certificate referred to in the following paragraph.

5. As soon as reasonably practicable after the end of each Accounting Period the Landlord or its managing agents shall supply the Tenant with a certificate containing the following information:-

5.1 The amount of the Total Service Cost for that Accounting Period

5.2 The amount of the Interim Charge paid by the Tenant in respect of that Accounting Period together with any surplus brought forward from the previous Accounting Period

5.3 The amount of the Service Charge in respect of that Accounting Period

5.4 The amount of the excess to be carried forward or to be paid pursuant to paragraph 3 and 4 above as the case may be 6. Together with the said certificate there shall be delivered to the Tenant a supporting schedule showing the amount and aggregate amounts of any reserves created pursuant to the provisions of clause 1.2.2 of this Schedule

7. The said certificate and schedules shall so far as permitted by law be conclusive and binding on the parties hereto save in relation to any patent. error or omission

8. In respect of the current Accounting Period and in respect of the Accounting Period during which the Lease or any period of holding over thereunder shall determine the Service Charge shall be apportioned on a daily basis.

RIGHTS OF APPEAL

1. A written application for permission must be made to the First-tier Tribunal at the Regional office which has been dealing with the case at the Regional office which has been dealing with the case by email at rpsouthern@justice.gov.uk.

2. The application for permission to appeal must arrive at the Regional office within 28 days after the date this decision is sent to the parties.

3. 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.

4. The application for permission to appeal must state the grounds of appeal and state the result the party making the application is seeking. All applications for permission to appeal will be considered on the papers. Any application to stay the effect of the decision must be made at the same time as the application for permission to appeal.