FIRST-TIER TRIBUNAL
PROPERTY CHAMBER
(RESIDENTIAL PROPERTY)

Case References	:	**MAN/00BN/LSC/2025/0709**
Property	:	**8 Malvern Grove, Manchester M20 1HT**
Applicant	:	**Nigel Mort, Magnolia Properties Ltd, Stephen Farrell and Caveat Emptor Domi Ltd**
Representative	:	**Mr. Jonathan Mark Cass, Arch Law solicitors Limited**
First Respondent	:	**Rawlings Properties Limited**
Second Respondent	:	**Mr. Crawford**
Type of Application	:	**Landlord and Tenant Act 1985 – s 27A** **Landlord and Tenant Act 1985 – s 20C**
Tribunal Members	:	**Mr. H Lewis, FRICS. Chair** **Mr J. Elliott MRICS**
Date of Decision	:	**5th May 2026**

DECISION

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1. The service charges demanded for the period April 2022 to August 2024 in respect of each of Flats 1- 6, 8 Malvern Grove, Manchester M20 1HT are not payable.

2. The reasonable service charges demanded of leaseholders of 8 Malvern Grove, Manchester M20 1HT for the respective years are;

April 2022 – March 2023	**£ 7,368.00**	**(£1,228 each)**

April 2023 – March 2024	**£10,676.80**	**(£1,779.46 each)**
April 2024 – August 2024	**£ 3,070.00**	**(£511.66 each)**

Service charge payments are suspended until a valid demand is served as required by the lease provisions and accompanied by the statutory information required under Section 21B of the Landlord and Tenant Act 1985 and Section 47 of the Landlord and Tenant Act 1987.

3. Pursuant to section 20C of the Landlord and Tenant Act 1985, Respondent's costs of these proceedings may not be recovered through the service charge accounts.

Background

4. The properties are held under lease for a term of 125 years from 1st January 2015. Four of the flats are owned by the applicants. The remaining two flats are owned by Rawlings Properties Limited, the first Respondent to this case but for the relevant period, were owned by Rawlings and Crawford Limited.

5. Tribunal received an application dated 20th August 2025 for a determination as to whether service charges in respect of the property are payable and/or reasonable. The application relates to the service charges for the period April 2022 to August 2024.

6. An application was also made for an order preventing the costs incurred in connection with these proceedings from being recovered as part of the service charge.

7. On 6th January 2026, the Tribunal issued directions and both parties were given the opportunity to provide statements of case together with supporting information. The Tribunal did not inspect the Property.

8. In a Preliminary matter, the Tribunal received an application by the First Respondent that it should be removed as Respondent. This was considered by Judge Goodall of Tribunal who concluded that Rawlings Properties Limited is correctly identified as a Respondent with a decision issued to parties on 17/03/2026. There were no subsequent challenges and therefore, this Tribunal agrees that the named Respondents are correct and will proceed on that basis.

9. The hearing was convened on Friday 24th April 2026. At the hearing, the Applicants were represented by Mr. Jonathan Cass and the Respondents represented themselves.

THE LAW

10. Section Section 27A of the Landlord and Tenant Act 1985 empowers the Tribunal to determine whether a service charge is payable and, if so, by whom, to whom, the amount, the dates and the manner of payment. The Tribunal also determines the reasonableness and payability of administration charges under Schedule 11 to the Commonhold and Leasehold Reform Act 2002 and may make an order under section 20C LTA 1985 preventing the landlord from recovering costs of proceedings through the service charge.

11. Section 21B of the 1985 Act provides that a summary of the rights and obligations of tenants in relation to service charges ("summary") must accompany every service charge demand. The form and content of the summary must comply with regulations. Until this requirement is complied with, the tenant may withhold payment of the service charge.

12. Section 47 of the Landlord and Tenant Act 1987 ("the 1987 Act") provides that every written demand for service charge must include the name and address of the landlord. Until this information regarding the landlord is provided, the service charge or administration charge referred to in the demand is not payable by the tenant.

13. Section 19 of the Act limits the amount of any relevant costs which may be included in a service charge to costs which are reasonably incurred, and s.20(1) provides:

> *'Where this section applies to any qualifying works … the relevant contributions of tenants are limited … unless the consultation requirements have been either–*
> *(a) complied with in relation to the works … or*
> *(b) dispensed with in relation to the works … by the appropriate tribunal'.*

14. "Qualifying works" for this purpose are works on a building or any other premises (s.20ZA(2) of the Act), and s.20 applies to qualifying works if relevant costs incurred in carrying out the works exceed an amount which results in the relevant contribution of any tenant being more than £250.00 (s.20(3) of the Act and regulation 6 of the Regulations).

15. Reference should be made to the Regulations themselves for full details of the applicable consultation requirements. In outline, however, they require a landlord (or management company) to:

- give written notice of its intention to carry out qualifying works, inviting leaseholders to make observations and to nominate contractors from whom an estimate for carrying out the works should be sought.
- obtain estimates for carrying out the works, and supply leaseholders with a statement setting out, as regards at least two of those estimates, the amount specified as the estimated cost of the proposed works, together with a summary of any initial observations made by leaseholders.
- make all the estimates available for inspection; invite leaseholders to make observations about them; and then to have regard to those observations.
- give written notice to the leaseholders within 21 days of entering into a contract for the works explaining why the contract was awarded to the preferred bidder if that is not the person who submitted the lowest estimate.

16. Should a landlord not comply with the correct consultation procedure, it is possible to obtain dispensation from compliance with these requirements by an application such as this one before the Tribunal. Essentially the Tribunal must be satisfied that it is reasonable to do so.

17. An "administration charge" is defined in paragraph 1(1) of Schedule 11 to the Commonhold and Leasehold Reform Act 2002 ("the 2002 Act") as: 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.

Paragraph 5(1) of Schedule 11 to the 2002 Act provides that: 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.

THE HEARING

Applicant Submissions

18. At the hearing the Applicant was represented by Mr Cass of Arch Law solicitors Limited, formerly of Bridge Law Solicitors Limited.

19. On the afternoon of 23rd April, the Tribunal received a statement of case by Mr. Cass, accompanied by a bundle of documents extending to 129 pages. A joint bundle had not been agreed or prepared. Mr. Cass referred to this statement of case and bundle in his submissions. At the outset, he corrected paragraph 1 of his statement whereby Bridge Law Solicitors Limited was replaced with Arch Law Solicitors Limited.

20. Mr. Cass first referred to the Landlords obligations to repair the main fabric of the property and common areas and referred the Tribunal to a sample lease at page 49 of the bundle.

21. He then outlined the Landlord's responsibility in relation to services and costs at schedule 6 of the lease, namely:

    (i) To provide the Services (para 4.1).
    (ii) To serve on the Tenant a notice giving full particulars of the Service Costs and stating the Service Charge payable by the Tenant and the date on which it is payable as soon as reasonably practical after incurring, making a decision to incur, or accepting an estimate relating to, any of the Service Costs (Para 4.2).
    (iii) To keep accounts, records and receipts relating to the Service Costs incurred by the Landlord and to permit the Tenant, on giving at least two weeks' notice, to inspect the accounts, records and receipts.

22. Mr. Cass referred to service charge demands made upon Caveat Emptor Domi Limited by Malvern Grove Management dated 1st March 2022 for the period 1st March 2022 to 1st March 2023 in the sum of £1,023. A further service charge demand was made on 18th April 2023 for the period 1st March 2023 to 1st March 2024 in the sum of £1,023.

23. Mr. Cass asserts that the Respondents had not complied with any of the service charge requirements within the lease. He referred to the First Applicant request for a copy of the service charge accounts and summary pursuant to section 21 and 22 of the Landlord and Tenant Act 1985 on 21 September 2022, with no meaningful response.

24. Mr. Cass then highlighted errors in the invoicing in relation to flat 3 owned by Magnolia Properties Limited and its director Mr. George Khanijau. This was disputed by the Respondents.

25. Mr. Cass then went on to describe the history of disrepair. He referred to a letter dated 25th April 2022 made by its client Caveat Emptor Domi Limited requesting repair works to be completed. Despite repeated requests, no works were carried out.

26. The continued disrepair eventually culminated in a County Court order made on 7th December 2023 in which an award and costs was made in the sum of £17.803.70. The claim was eventually settled in the sum of £21,500 as agreed by Mr. Rawlings on behalf of Rawlings and Crawford Limited in an email dated 3rd July 2024. Mr. Rawlings also agreed to:

    (i) Appoint a nominated professional manager and,
    (ii) That £3,600 was to be held on account in favour of Caveat Emptor Domini Limited.

27. Mr. Cass suggested that the County Court judgement was an example of both respondents being a 'Negligent Manager'.

28. As regards to relevant invoices, Mr. Cass referred to quotations for repairs to the chimney dated 31 July 2023 and an estimate for fitting a fire alarm system dated 16 August 2023. The Applicants were also provided with copies of the building insurance policy. No other supporting documents as to service charge expenditure have been provided.

29. Mr. Cass raised concerns on the appropriate bank accounts to which service charges were paid. It is alleged that payments made by the Applicants on account have been paid into the Second Respondent's personal account. Mr Cass referenced the RICS Code of Practice Residential Management Code 3rd Edition and the requirements of section 42 of the Landlord and Tenant Act 1987.

30. In conclusion, Mr. Cass maintained that the Respondents have failed to comply with the Directions dated 6 January 2026. He submitted that, in the absence of any meaningful accounts or supporting evidence and that the service charges have not been correctly demanded, the relevant service charges payable are:

April 2022 – March 2023	£0
April 2023 – March 2024	£1,450
April 2024 – August 2024	£0

First Respondent Submissions

31. Mr. Rawlings appeared for the First Respondent, Rawlings Properties Limited. Mr. Rawlings confirmed that Rawlings and Crawford Limited was jointly owned by Martin Rawlings and the Second Respondent Philip Crawford, up to 1st December 2024.

32. Mr. Rawlings confirmed that Rawlings and Crawford Limited acquired the freehold to the property on 17 December 2021.

33. Mr. Rawlings referred to failures of the previous Managing agents including allegations of 'electricity theft' by one of the applicants. The Management company were dismissed in or around December 2021 at which point Rawlings and Crawford Limited assumed management of the building.

34. Mr. Rawlings stated that the First Respondent paid for all costs and that 'not much' had been recovered from the remaining 4 flat leaseholders of the building.

35. Mr. Rawlings stated that costs to replace the Alarm system was confirmed in a quotation by W.D.T.L Electrical in the sum of £3,395 but with a final account paid in the sum of £3,195. He referenced the 'screen shot' of costs and payments made at page 111 of the bundle where the payment of £3,195 is clearly recorded. Accordingly, Mr. Cass was incorrect in his assertion that he had not seen evidence of this payment.

36. Mr. Rawlings accepted that there may have been omissions in serving the service charge statements and that consultation procedures may not have been followed strictly in accordance with legislation. He maintained, however, that leaseholders were notified of intended works.

37. Mr Crawford left Rawlings and Crawford Limited on 1st December 2024. The First Respondent was renamed as Rawlings Properties Limited with Mr. Rawlings as the sole director. Rawlings Properties Limited retain the lease of two apartments at 8 Malvern grove and has paid all service charge and other costs as demanded since Mr Crawford left on 1 st December 2024.

Second Respondent Submissions

38. The Second Respondent concentrated mainly upon the renewal of the alarm system and relevant costs. He maintained that the works was necessary and referred to a Fire Risk Assessment report prepared in or around 2021. The works were completed in accordance with those

recommendations. He was unable to produce evidence of this report but expressed his willingness to produce the report.

39. Mr. Crawford vehemently denied the allegation of misappropriation of service charge payments. He maintained that these were paid into the account of Malvern Grove Management, a company set up specifically for the management of the building. This company was subsequently incorporated sometime in January 2024.

40. In support of management fees claimed, Mr. Crawford was not certain as to how they were calculated but suggested that this would be around 20% of service charge receipts.

Findings

41. On 6th January 2026, the Tribunal issued directions with both parties given the opportunity to provide statements of case and supporting information. The Respondents have not complied with these Directions and, consequently, the Applicants were also unable to comply fully with the Directions.

42. The only evidence before the Tribunal is a 'service charge cashbook' itemising various receipts and costs and a 'screen shot' of service charge costs recorded as having been paid by Rawlings and Crawford Limited.

43. The service charge cash book as at 31/03/2023 provides information of expenditure for the period 23/02/2022 to 01/12/2023. The majority of the entries relate to management fees in favour of 'Managing Estates Limited' and Phillip Crawford (Management Fees). There are separate entries for roof repairs in the sum of £242 paid to S.J.Farrell on 15/08/2023 who appears to be the leaseholder of flat 4. There is also an entry for Phillip Crawford (Malvern Insurance) in the sum of £1,000 made on 02/03/2022. There is one entry for ground rent from flat 6 on 13/05/2023.

44. The screen shot of service charge costs is for the period 31/12/2021 to 28/03/2024 and are recorded as costs paid by Rawlings and Crawford Limited which include:

(i) Sparkling Cleaning,
(ii) SSE SWALEC electricity costs,
(iii) Roofing works
(iv) Fire Alarm replacement
(v) Salvum Risk Assessment - FRA report,
(vi) Insurance premium.

45. The expenditure for 2022 amounts to £779.93. The expenditure for 2023 is £7,828.97 which includes for exceptional costs of the Fire Risk Assessment (FRA) report, installation of the Alarm system and roofing repairs.

46. The Tribunal finds that neither of the cost schedules provide reliable evidence and are of limited assistance to the Tribunal in determining this application. The information provided is incomplete in terms of service charge costs normally associated with a property of this type. There are no year-end accounts, the breakdown of service charges is incomplete, no budgeting and no reconciliation statements are provided. They also lack detail and are confusing in its presentation.

47. In an email dated 25th January 2025, Mr. Rawlings wrote to the 4 other leaseholders in the building stating that it had managed the property for at least 3 years and paid all bills relating to the management of the building. He then goes on to say that ''I am owed by each of you approximately £4,000 for more than 3 years' service charge" and ''I paid out legitimate costs like insurance, fire alarm maintenance , cleaning , repairs and I have not been reimbursed." The email is written in his capacity as owner of Rawlings Properties Limited.

48. If, as is claimed, £4,000 is owed by each of the leaseholders over a period of 3 years, this would equate to £24,000 when you add on the 2 flats owned by Rawlings & Crawford. This breaks down to £8,000 for each of the three years and is the equivalent of £1,333 per annum for each leaseholder. The service charge invoiced for the years 2022 and 2023 was £1,023.

Roof Repairs

49. Roof repairs were completed by G.A. Derricut for which an invoice dated 31/07/2023 was issued in the sum of £1,450 and subsequently shown as being paid on 31/07/2023 in the screen shot of payments at page 111 of the bundle. The applicants are satisfied that the roof repair was necessary and was carried out competently. However, they assert that the Respondents were aware of the need to repair the roof and that such works should have been anticipated and budgeted for in the accounts.

50. The Tribunal finds that the amount of the roof repair is payable in full.

Fire Alarm Systems

51. In September 2023, a new Grade A fire alarm system was installed replacing the original Grade D system. Respondents advise that this was on

the recommendation of a Fire Risk Assessment (FRA). Neither the report or recommendations was available for inspection at the nearing nor had it been produced in evidence. The applicants maintain that the existing system was adequate and that its replacement was not mandated by a FRA. The applicants also stated that a FRA was commissioned retrospectively but that the report was unable to comment upon the adequacy of the original installation.

52. In the absence of any report, the Tribunal is not presented with reliable evidence. However, it takes the view that the installation of a fundamental 'Health and Safety' measure at significant cost would not have been contemplated unless reasonably required. On balance therefore, the Tribunal concludes that the new Fire Alarm System is a legitimate cost.

53. The replacement fire alarm system was commissioned by the First Respondent and was subsequently completed and invoiced for the slightly lower sum of £3,195. This is shown as being paid 0n 8th September 2023. The total cost of £3,195 equates to £532.50 for each leaseholder.

54. Section 19 of the Act limits the amount of any relevant costs which may be included in a service charge and s.20(1) provides:

> *'Where this section applies to any qualifying works … the relevant contributions of tenants are limited … unless the consultation requirements have been either–*
> *(a) complied with in relation to the works … or*
> *(b) dispensed with in relation to the works … by the appropriate tribunal'.*

55. Qualifying works" for this purpose are works on a building or any other premises (s.20ZA(2) of the Act), and s.20 applies to qualifying works if relevant costs incurred in carrying out the works exceed an amount which results in the relevant contribution of any tenant being more than £250.00 (s.20(3) of the Act and regulation 6 of the Regulations).

56. The Respondent at the hearing confirmed that, whilst the leaseholders were made aware that works to the alarm system was being carried out, they conceded that formal consultation did not take place. Accordingly, for the year 1st March 2023 to 1st March 2024, the cost in relation to fitting of the new alarm system is limited to £250 for each leaseholder.

Service Charges Demands

57. Section 21B of the 1985 Act provides that a summary of the rights and obligations of tenants in relation to service charges ("summary") must

accompany every service charge demand. Section 47 of the Landlord and Tenant Act 1987 (“the 1987 Act”) provides that every written demand for service charge must include the name and address of the landlord. Until this information is provided, the service charge referred to in the demand is not payable by the leaseholder.

58. Note that a failure to include the statutory information required by s. 21B does not render a demand invalid for the purpose of constituting a demand under s. 20B(1) (*No.1 West India Quay (Residential) Limited v East Tower Apartments Ltd* [2020] UKUT 163 (LC) at [39].) Any liability will only be suspended until a valid demand is served, accompanied by the statutory information.

59. Neither of the invoices addressed to Caveat Emptor Domi Limited at pages 106 and 107 of the bundle are accompanied by the statutory ‘Summary of Rights’ under section 21B. Furthermore, the invoice for the period 1st March 2023 to 1st March 2024 do not conform to the requirements of section 47 in relation to Landlord details. Accordingly, the service charges determined below are not payable until the service charge invoices are properly served in full compliance with the lease and relevant legislation.

60. In view of the very limited information provided both in written submissions and at the hearing, using its judgement and experience, the Tribunal determines that reasonable annual service charges applicable for a property of this type is £7,368 in accordance with the schedule below.

61. The estimated service charge equates to £1,228 per leaseholder as compared to £1,023 demanded in 2022 and 2023 and the annual service charge of £1,333 suggested by Mr. Rawlings.

Service Type	**Est. Annual Cost (£)**	**Notes**
General maintenance of external fabric and common areas	£500	
Building Insurance	£650	Estimate. £1,600 Vasek Insurance cost shown on breakdown but period it covers is not clear.
Gas (heating, hot water)	£1,200	

Electricity (whole house)	£1,000	
Water & Sewerage	£500	
Broadband/Internet	£300	
Waste Collection (extra bins)	£120	
Fire Safety (servicing alarms/extinguishers)	£250	
Gas Safety Certificate & Boiler Service	£150	Mandatory annual check/service
Electrical Inspection (EICR, pro-rated)	£150	
Cleaning (communal areas)	£540	Sparkle Cleaning cost extracted from bundle
Gardening	£480	£120 a quarter
Professional Fees (accountant, legal, etc.)	£300	
Total	**£6,140**	
Management charges @ 20%	**£1,228**	
	£7,368	
Per Person (1/6)	**£1,228**	

Applied to each service charge period		**Annual Service Charge**
April 2022 – March 2023		**£7,368**
April 2023 – March 2024		£7,368.00
Roof Repairs	£1,450.00	
FRA Report	£358.80	
Replacement Alarm System (6 x £250)	£1,500.00	£3,308.80
		£10,676.80
April 2024 – August 2024		
Based on estimated reasonable Service charges.	5 months	**£3,070.00**

Section 20C Application

62. The applicants have made an application under section 20C LTA1985. In the light of the tribunal's conclusion, this application is successful. The Respondent's costs relating to these proceedings may not be recovered through the service charge accounts.

Rights of appeal

By rule 36(2) of the Tribunal Procedure (First-tier Tribunal) (Property Chamber). Rules 2013, the Tribunal is required to notify the parties about any right of appeal they may have.

If a party wishes to appeal this decision to the Upper Tribunal (Lands Chamber), then a written application for permission must be made to the First-tier Tribunal at the Regional Office which has been dealing with the case. The application should be made on Form RP PTA available at:
https://www.gov.uk/government/publications/form-rp-pta-application-for-permission-to-appeal-a-decision-to-the-upper-tribunal-lands-chamber

The application for permission to appeal must arrive at the Regional Office within 28 days after the Tribunal sends written reasons for the decision to the person making the application.

If the application is not made within the 28-day time limit, such application must include a request for an extension of time and the reason for not complying with the 28-day time limit; the Tribunal will then look at such reason(s) and decide whether to allow the application for permission to appeal to proceed, despite not being within the time limit.

The application for permission to appeal must identify the decision of the Tribunal to which it relates (i.e. give the date, the property and the case number), state the grounds of appeal and state the result the party making the application is seeking. If the Tribunal refuses to grant permission to appeal, a further application for permission may be made to the Upper Tribunal (Lands Chamber).