



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

<b>Tribunal case ref.</b>	: HAV/29UL/LSC/2025/0720
<b>Property</b>	: Sandgate Pavilions (Enbrook House, Shorncliffe House, Martello House), Encombe, Sandgate, Folkestone, CT20 3TU, CT20 3TT and CT20 3TW
<b>Applicant</b>	: Martin and Helen Hart (2 Shorncliffe House) Michelle and Jon Leach (1 Shorncliffe House) Mike Lucy (14 Enbrook House) Robert Scrase (1 Martello House)
<b>Representative</b>	: Martin Hart
<b>Respondent</b>	: Sandgate Pavilion Management Company Limited
<b>Representative</b>	: Peter Cobrin, LH Property Block Management Ltd
<b>Type of Application</b>	: Determination of liability to pay and reasonableness of service charges Section 27A Landlord and Tenant Act 1985
<b>Tribunal Members</b>	: Judge D Gethin Mr D Ashby FRICS Mr C Davies FRICS
<b>Date and venue</b>	: 21 April 2026, Ashford Tribunal Hearing Centre
<b>Date of Decision</b>	: 15 June 2026

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**DETERMINATION**

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## **Summary of the decisions of the Tribunal**

- (1) The Tribunal determines that the Applicants are liable to pay the service charge demanded in respect of year ending 31 December 2024 in full.**
- (2) The Tribunal determines that the Applicants are liable to pay the estimate service charge demanded in respect of year ending 31 December 2025 in full.**
- (3) The Tribunal determines that the Administration Charge in the sum of £337.50 in respect of 2 Shorncliffe House is not payable.**
- (4) The Tribunal does not make an order under section 20C of the Landlord and Tenant Act 1985 preventing the Respondent from recovering the costs of the proceedings from the Applicants through the service charge.**
- (5) The Tribunal makes an order under paragraph 5A, Schedule 11 to the Commonhold and Leasehold Reform Act 2002 so that none of the Respondent's costs of the Tribunal proceedings may be passed to the Applicants as an administration charge.**

## **The Application**

1. The Applicants have made an application for determination of liability to pay and reasonableness of service charges for the year ending 31 December 2025.
2. The application [19-37] was received on 2 July 2025.
3. The Applicants further seek orders pursuant to Section 20C of the Landlord and Tenant Act 1985 ("LTA 1985") and paragraph 5A of Schedule 11 to the Commonhold and Leasehold Reform Act 2002 ("CLRA 2002").
4. The Property comprises three apartment blocks built in or around 2020 and contain a total of 35 flats comprising 14 flats in Enbrook House, 13 in Shorncliffe House, and 8 in Martello House. The Applicants are leaseholders of flats in the Property.
5. Further to the Directions of Judge Jutton dated 9 December 2025 [58-62], the management company was named as the Respondent rather than the present, individual directors of the management company or LH Property Block Management Ltd, the company secretary of that management company board and managing agent.

6. The freehold was held by the original developer, Sunningdale House Developments Ltd but following its administration, the Respondent had acquired the freehold by the date of the hearing.
7. The application identified the issues as identifying who the legally appointed management company board are and who the legally appointed managing agents are; demands have been issued by two separate agents. A dispute arose as to which demands issued by which agents are payable. Administration charges have also been issued by one agent, and these are also disputed together with charges for acquiring the freehold and additional land adjacent to the Property. The Applicants also contend that various services have not been provided and suggest they seek the appointment of a manager, although have not made a valid application to do so.
8. In light of the above, a Case Management and Dispute Resolution Hearing (“CMDRH”) was directed to be held on 16 January 2026. The hearing took place remotely by video and was attended by Martin Hart for the Applicants and Peter Cobrin for the Respondent. At the CMDRH before the Applicants applied for the service charge year ending 31 December 2024 to be added to the application. The Respondent did not object. The Tribunal agreed to allow the application to be amended so as to include an application for a determination of service charges payable for the year ending 31 December 2024.
9. The Tribunal confirmed that the issues before the Tribunal are:
  - What amount of service charge is payable by the Applicants for the service charge year ending 31 December 2024?
  - What is the amount of estimated service charge payable by the Applicants for the service charge year ending 31 December 2025?
10. Directions were issued on 12 May 2025 listing the application for a Case Management and Dispute Resolution Hearing (“CMDRH”) on 18 July 2025.
11. A bundle of 317 pages was provided by the Applicants albeit many of the pages contained embedded images that were not readable and key documents that we would expect to be included, including office copies of the leasehold and freehold titles and copies of demands sent to the Applicants, were missing. Mr Cobrin has assisted the Respondent throughout and is an experienced managing agent. He ought to have recognised that much of the bundle was not fit for purpose or that relevant documents that the Tribunal would need to determine the application were missing. References in [ ] are to pages within that bundle except where stated otherwise.

## **The Background**

12. The Property comprises 2 x 6-storey (Enbrook House and Shorncliffe House) as well as a third 4-storey (Martello House) purpose-built apartment blocks built in or around 2020. Neither party requested an inspection, and the Tribunal did not consider that one was necessary to resolve the matters in dispute.
13. The Applicants' case is that the sums demanded in relation to various services for the years in dispute are not recoverable from the leaseholders by way of a service charge or are unreasonable.
14. We were provided with a copy of the lease for 2 Shorncliffe House ("the Flat"). We were told that the leases of the other flats are on mirror terms. The Flat is subject to a long lease for a term of 999 years from and including 1 January 2020 ("the Lease") [78-122]. The Lease, as granted, was a quadripartite lease between Sunningdale House Developments (Sandgate) Limited (in administration) (1) Sandgate Pavilion Management Company Limited (2) Edward Avery-Gee and Daniel Richardson (3) and Martin Richard Hart And Helen Elizabeth Hart. Mr Avery-Gee and Mr Richardson were the administrators of the former freeholder and developer of the Property. Following the acquisition of the freehold from Sunningdale House Developments (Sandgate) Limited (in administration) ("the Developer") by the Respondent, the Respondent is now both the landlord and the Management Company under a tripartite lease.
15. Under Cl. 3 of the Lease [87], the Applicants have covenanted with the Respondent as Landlord to observe and perform the obligations set out in Parts One and Two to Schedule 7 to the Lease, and similarly with the Respondent as the Management Company to observe and perform the obligations set out in Part Two of Schedule 7 to the Lease
16. Under para. 3, Pt. Two, Sch. 7 to the Lease, the Applicants have covenanted to pay the "*Service Charge Proportion at the times and in the manner herein provided*" [107] which is defined as the proportion of Expenses payable in accordance with Schedule 6 [85]. The Expenses are defined as the monies expended by or on behalf of the Respondent, whether as Landlord or as Management Company, in carrying out the obligations in Schedule 5.
17. The Service Charge Proportion meant an equal split of the Expenses or such other proportion or percentage as the Respondent as Management Company prescribe in the interests of good estate management [para. 1, Sch. 6 to the Lease, 105]. Over time, the parties have agreed percentage contributions to the costs incurred on their own building together with a percentage contribution

to the costs incurred on the wider estate. That calculation is based upon the size of each flat and is not in dispute.

18. The Applicants had originally covenanted to pay the Service Charge Contribution “*annually in advance on 1 January every year... the Service Charge Proportion of the amount estimated by the Management Company or its Managing Agents as the Expenses for the year ending on the next 31 December [or such other period as the Management Company decides...]*” [para. 3, Sch. 6 to the Lease, 105]. Over time, the parties have agreed that sum shall be paid by way of two equal instalments.
19. Within 3 months of the end of the accounting period, the Management Company will instruct an account of the “*Expenses (distinguishing between actual expenditure and reserve for future expenditure) for the period*” and “*serve on the Tenant a copy thereof of the accountant's certificate*” [para. 2, Sch. 6 to the Lease, 105].
20. The Lease does not specify the consequences of breaching para. 2 and whilst the Applicants have raised that the y/e 31 December 2025 certified accounts have not yet been served at para. 14 of the Applicants’ Reply dated 19 March 2026 [4] and at para. 11 of the Applicants’ Amended Statement of Case dated 6 February 2026 [12], they do not specify what the consequences should be or make any submission as to whether para. 2 is a condition precedent which prevent service of a demand more than 3 months after the date of each account. In any event, the y/e 31 December 2025 actual service charge is not under consideration.
21. Para. 3.2, Sch. 6 to the Lease provides that the Applicants shall within 21 days after service of the accountant’s certificate under para. 2, “*pay to the Management Company or have credited against future payments due from the Tenant to the Management Company the balance by which the Service Charge Proportion respectively exceeds or falls short of the total sums paid by the Tenant to the Management Company pursuant to paragraph 3.1 of this Schedule during the said period*” [105-106].
22. We note that notwithstanding any breach of para. 2, Sch. 6 to the Lease, the Applicants continue to enjoy the benefit of the statutory protection offered to all leaseholders under s.20B LTA 1985 which requires landlords to demand service charge payments from tenants within 18 months of the costs being incurred. If the landlord fails to do so, the tenant is generally not legally liable to pay those specific costs. If the landlord cannot finalize the accounts or issue a demand within the 18-month period, they can protect their right to demand those monies by serving the tenant with a formal written notice in accordance with s.20B(2) LTA 1985. If the landlord has served an estimate demand (sometimes known as an interim or on account demand) before costs were

incurred, and does not seek further payment after the end of the accounting period, then s.20B LTA 1985 will generally not have any effect.

23. The Applicant's representative purchased the Flat on or around 8 November 2024. He was shortly thereafter co-opted to the Respondent's board of directors alongside the other Applicants. This will be referred to below as Board A.
24. On 31 January 2025, an extraordinary general meeting ("EGM") was held at which the Applicants were removed from the board of directors, and the current board was appointed. This will be referred to below as Board B.
25. The Applicants dispute their removal from the board of the Respondent. That is not a matter over which we have jurisdiction. In any event we are satisfied, and the Applicants accept, that the directors of Board B are registered at Companies House as the current directors of the Respondent and have authority to make decision on behalf of the Respondent in these proceedings.
26. LH Property Management Limited ("LHPML") was appointed as managing agent on 1 March 2024 [263-277]. Board A were dissatisfied with LHPML and sought to terminate the relationship once the term of the year-long management agreement expired, and to appoint a new managing agent, AM Surveying & Block Management ("AMSBM") from 1 March 2025 according to the management agreement dated 10 December 2024 [222-236].
27. Following the EGM on 31 January 2025, Board B sought to rescind the contract with AMSBM entered into by Board A and to continue employing LHPML beyond 28 February 2025.
28. By the date of the hearing, Board B had decided to no longer employ LHPML and that a new managing agent, Rendall & Rittner, would take over management of the Property from June 2026.

### **The Issues**

29. The Tribunal has identified the relevant issue for determination is whether the service charge in relation to y/e 31 December 2024 and the estimate service charge in relation to y/e 31 December 2025 are reasonable.
30. Having considered the Hearing Bundle, the Late Evidence provided, and the oral evidence, the Tribunal has made determinations on the various issues as follows.

**The Relevant Law – Service Charge, the Right to Manage and Transfer of Management Functions**

31. In accordance with s.27A(3) LTA 1985:

*27A Liability to pay service charges: jurisdiction*

*(1) An application may be made to the appropriate tribunal for a determination whether a service charge is payable and, if it is, as to—*

- (a) the person by whom it is payable,*
- (b) the person to whom it is payable,*
- (c) the amount which is payable,*
- (d) the date at or by which it is payable, and*
- (e) the manner in which it is payable.*

32. A service charge is defined by section 18(1) of the 1985 Act reads as follows:

*18 Meaning of “service charge” and “relevant costs”.*

*(2) 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.*

33. Section 19 of the 1985 Act provides that there is a limitation on service charges in that they must be reasonable:

*19 Limitation of service charges: reasonableness.*

*(1) Relevant costs shall be taken into account in determining the amount of a service charge payable for a period—*

- (a) only to the extent that they are reasonably incurred, and*
- (b) where they are incurred on the provision of services or the carrying out of works, only if the services or works are of a reasonable standard;*

*and the amount payable shall be limited accordingly.*

*(2) Where a service charge is payable before the relevant costs are incurred, no greater amount than is reasonable is so payable, and after the relevant costs have been incurred any necessary adjustment shall be made by repayment, reduction or subsequent charges or otherwise.*

## **The Hearing**

34. The hearing took place in person at Ashford Tribunal Centre. The Tribunal was addressed by Mr Hart on behalf of the Applicants, and by Mr Cobrin on behalf of the Respondent. Mr David Hindle and Mr David Walbrook attended as directors of the Respondent. Also in attendance were the other Applicants save for Mrs Hart.

### *Late evidence*

35. At the hearing, the panel requested copies of accounts and demands relating to the years in dispute. These were provided to the clerk by email at 11:55am and copies were provided to the panel and the Applicants. Given that the documents referred to above were already within the Applicants' possession or knowledge, and that they were material to the matters in dispute, we decided that it would be in the interests of justice to admit them.

### *The Applicant's Case*

36. We have summarised the Applicants' case using the most recent Amended Statement of Case dated 6 February 2026 [11-16].

### Management fee

37. The Applicants submit that service charges are not reasonably incurred due to the Respondent's decision to operate two managing agents concurrently. Board A contracted with AMSBM to act from March 2025 but Board B subsequently re-engaged LH Property on a rolling contract, resulting in two agents issuing simultaneous demands. The Applicants submit that there could be no proper business justification for two managing agents in a 35-unit development.

38. The Applicants, or at least Mr & Mrs Hart, had received demands from and entered into a direct debit with AMSBM. No evidence of the demands made were evidenced because such documents were held on AMSBM's My Blockman and access to this system has subsequently been withdrawn without the Applicants securing hard copies. It is submitted that AMSBM had incurred costs on the Property, and additional costs of £15,300 have been added to the 2025 Estimate Service Charge.

39. The Applicants submit that additional costs resulted from Board B's decision making, including knowingly entering into overlapping contracts. The overspend is said to arise from an "unmeritorious dispute" and associated legal/management activity concerning the appointment and termination of the contract with AMSBM.
40. This was, understandably, the biggest concern for the Applicants but there were other matters they wished to challenge as well.

Y/e 31 December 2024

41. The Applicants allege a number of anomalies in the y/e 31 December 2024 accounts including:
  - (a) discrepancies in gas costs and ISTA income, including an uncredited surplus;
  - (b) excessive electrical contractor bills, the costs of which are not supported by the invoices disclosed;
  - (c) employment of non-local contractors have increased costs by incurring unnecessary travel costs;
  - (d) unexplained variances and payments within the 2024 accounts and management figures, namely:
    - i) payments covered by Sennen and LHPML as managing agents exceeded the sum declared in the 2024 audited accounts by £24,611.00;
    - ii) the LHPML 'Expenditure sheet' details an additional £7,583.00 of invoices paid to Coopers Window Cleaning, when the bank statement shows they were paid £1,725.00;
    - iii) a charge of £3,186.00 for EV chargers in the Sandgate Pavilions car park that have never worked;
    - iv) an unexplained payment of £16,705 from an insurance broker;
    - v) a cost of engineering insurance in October 2024 for £2,543;
    - vi) an invoice for £7,416 from Laser Mechanical & Electrical ("LM&E") dated 17 June 2024, when the metadata on the file shows the creation date to be 03 September 2024 referring to a 'call out date of 07 December 2024' and the invoice does not detail what work was done. The 2024 bank statements show a payment for £6,180 on 18 September 2024 to LM&E whilst the 2024 audited accounts show a zero cost for 'Plant and maintenance', which was budgeted at £6,130;
    - vii) cost of £834.00 from Heightsafe Systems, for testing of the Mansafe System on the roof of each block (three in total), when

- Metroline (based in Folkestone) offer this service and already attend the site to maintain the gates;
- viii) an invoice for £540.00 issued by Pristine for the cleaning of rooflights, when it unclear where these lights are located;
  - ix) the Respondent submits dormant accounts to Companies House when interest is received.

Y/e 31 December 2025

42. The Applicants sought clarification on some matters that cannot be determined until the y/e 31 December 2025 service charge accounts have been audited and any reconciliation demand has been served. We cannot determine those matters, but the Applicant will be able to challenge those items at some point in the future.
43. We can consider whether the estimate costs are themselves reasonable, and the Applicants raise the following items as examples that may not be reasonable:
- (a) £23,483 cost for gas shows as an ‘actual’ cost when we have no common parts heating and pay for gas via ISTA;
  - (b) costs for electricity are stated as £1,267 when the 2024 audited service charge accounts show the costs were £6,375;
  - (c) estimated service costs for the 3 communal boilers of £7,388 + VAT are unreasonable in the Applicants’ view.

Recharge for window cleaning

44. The Respondent’s window cleaners had attended Shorncliffe House on or around 7 May 2025. It is alleged by the Respondent that Mr Hart refused access to the garden of 2 Shorncliffe House to allow the window cleaner to carry out cleaning of the upper storeys to the rear of Shorncliffe House. This had necessitated the window cleaner to return on another day, and the Respondent sought to recover 50% of the ‘wasted cost’ from Mr Hart in the sum of £337.50 by way of a “recharge”. Mr Hart submitted that the lease does not permit such a charge.

*The Respondent’s Case*

45. The Respondent’s Response is somewhat brief and cursory and comprises a 2-page letter dated 11 March 2026 [76-77].

## **The Decision**

46. We would preface our decision with the following comments on the parties' conduct. There are a number of allegations made by both parties.
47. The Applicants strongly dispute the manner in which Board B was appointed, and the Applicants were moved from the Respondent's board of directors.
48. The tenor of much of the correspondence included in the bundle was not conducive to resolution. For his part, Mr Cobrin had used intemperate and unprofessional language to a third party in his description of Mr Scrase. Mr Cobrin recognised this was inappropriate and apologised to the Applicants at the hearing.
49. Tensions between the Applicants and the directors present of Board B were evident. We would record that Rendall & Rittner has been appointed as managing agent from June 2026, and we would encourage all concerned to treat this as an opportunity for a reset in their relationship.
50. Turning to the matters in dispute, we deal with them in the order that they were raised above.

### **Management fee**

51. Given the timing of the dispute centres around the purported handover from LHPML to AMSBM, any costs demanded by AMSBM or incurred by the Respondent as a result, such as legal costs arising from any dispute between the Respondent and AMSBM, are not provided for in either of the service charge demands under consideration.
52. Once the actual service charge for year ending 31 December 2025 has been reconciled, the Applicants will be in a position to see what, if any, additional cost is to be borne by the Respondent as a result of Board A having entered into the agreement to appoint AMSBM as managing agent from 1 March 2025 and beyond and whether, as a result, leaseholders will be required to contribute towards those costs through the service charge.
53. The Applicants were of the view that such a reconciliation demand should have been issued by now. We accept that para. 2, Sch. 6 requires that to happen but given the Lease does not specify the consequences of failing to do so, we do not find that is a condition precedent that would otherwise prevent the Respondent from raising a demand after the 3-month period subject to the statutory protection afforded by s.20B LTA 1985.

54. In our experience, reconciliation demands are typically served shortly before 6 months has passed after the period has ended, or a s.20(B) notice is served to protect the landlord's position, in order to ensure compliance with s.20B LTA 1985. There has been no demand served for service charge actuals for y/e 31 December 2025 and so, it follows, there is nothing for us to determine.
55. We pause to make the following observations, mindful that AMSBM was not a party to these proceedings and there may be future litigation between AMSBM and the Respondent:
- (a) it would appear that Board B had made AMSBM aware prior to 1 March 2025 that it did not intend to instruct them. We are therefore surprised as to the amount purported to have been incurred by AMSBM when there was no evidence of the services provided during the relevant period;
  - (b) the Applicants had provided no evidence of the purported costs incurred or of the demands served by AMSBM – there was simply nothing upon which we could reach any determination;
  - (c) if monies were paid by the Applicants to AMSBM by way of a purported service charge, those monies would appear to be held on trust by AMSBM. We are therefore surprised to be told that AMSBM have refused to explain to the Applicants how monies they collected have been spent or to furnish the Applicants with copies of the purported service charge demands;
  - (d) the Applicants knew that Board B had decided to retain LHPML and not proceed with instructing AMSBM, such that choosing to pay monies to ASMBM may have been unwise as AMSBM would have no basis for taking enforcement action against individual leaseholders.
56. On the strength of the facts that:
- (a) AMSBM was not purportedly appointed until 1 March 2025 such that no costs could have been incurred in y/e 31 December 2024;
  - (b) no fees or costs attributed to AMSBM's appointment or any legal dispute arising out of that purported appointment or of any services purportedly provided by AMSBM, notwithstanding whether it was entitled to do so, were to be found in the estimate demands sent in respect of y/e 31 December 2025 such that there was nothing for us to determine whether the Applicants were liable to pay; and
  - (c) there was a complete absence of evidence of demands raised by or how costs were incurred by AMSBM,

we do not find that any monies paid to ASMBM were paid as service charges in accordance with Cl. 3.2, para. 3, Pt. Two, Sch. 7 and of the Lease.

57. We will consider whether the costs of instructing LHPML were reasonable later.

Y/e 31 December 2024

58. One of the reasons that the Applicants had sought to co-opt Mr Hart onto Board A soon after he purchased the Flat, was because he is a Chartered Accountant. For the purposes of these proceedings, he is to be treated as a litigant-in-person albeit one with an expertise in accounting.
59. Sadly however, it became apparent during the hearing that many of the Applicants' allegations were subject of simple explanations and that a careful, analytical assessment of the evidence, which the panel managed to achieve in a much shorter space of time than the Applicants would have had to prepare for this appeal, revealed there to be no inconsistency.
60. The Applicants' general approach can be described as spending time searching for a 'smoking gun' to corroborate their misgivings about Board B. That is not to say that there may not be grounds for a future application in respect of the y/e 31 December 2025 certified accounts once released, but we were satisfied that all matters could be explained by the evidence within the bundle and the lack of any supporting evidence procured by the Applicants to show that the costs sought are not reasonable, even if they may not be the cheapest.

*Discrepancies in gas costs and ISTA income*

61. The Property has a system in place whereby the Applicants each pay their own costs of gas usage supplied by ISTA. An algorithm was historically used to calculate each leaseholder's usage, but following concerns over the calculations individual meters were installed. The Applicants were concerned that a credit surplus had accrued when Sennen was the managing agent (prior to LHPML) as a result of the algorithm methodology, but that this credit in the sum of £19,907 had not been applied against their collective accounts subsequently.
62. Mr Cobrin admitted that the ISTA relationship was opaque, and that a root and branch review being led by Mr Wallbrook, who will work with Rendall & Rittner once they are appointed to carry out a full audit, on behalf of the Respondent would provide greater clarity.
63. However, as the arrangement for payment of ISTA does not fall within the service charge demands, but is made in accordance with an ancillary agreement, we do not have jurisdiction to consider this matter.

*Excessive electrical contractor bills*

64. The Applicants had submitted in their Amended Statement of Case [15] that the Respondent had failed to evidence the costs incurred by LW Electrical or that they were unreasonable in amount.
65. The Respondent's Reply [76] stated that the 7 individual invoices had been provided and although many of them are not readable because of the Applicants' inexplicable decision to embed 4 invoices per page, there was evidence that 7 invoices had been embedded in the hearing bundle [281-282]. Of the two that were readable, they record that the work done was as follows:

*Invoice dated 26.11.2024*

*Job no LH89:           Supply & fit 6x led spot lights in lobby area  
                              Supply & fit 1x led spot light outside Martello House by  
                              front entrance  
Cost:                   £350.00 plus VAT*

*Invoice dated 18.12.2024*

*Job no LH22:           Supply & fit 7x sensor round led ip rated outdoor lights  
Cost:                   £830.00 plus VAT*

66. Mr Cobrin said that a number of contractors who had carried out the original installation work had refused to return to the Property because the Developer had not paid them. A number of issues with the lighting installations had arisen, which meant further work for a new contractor to understand.
67. Mr Wallbrook said that when the Developer went into administration in August 2023, 8 flats were still not sold and remedial works were outstanding which had led to a £200,000 warranty claim having to be brought.
68. It is not uncommon that leaseholders feel that the costs of carrying out such works appear unreasonable, but absent any evidence of alternative quotes that would suggest that the works could be done at much cheaper cost, together with any complexity arising from the Developer's administration, we make no adjustment to the amount the Applicants are liable to pay.

*Employment of non-local contractors*

69. We accept that, in principle, engaging contractors from further away might incur additional cost, but there was no evidence provided that a local contractor would, in fact, be cheaper and even if they were that does not in itself demonstrate that the costs incurred are not reasonable. The

Respondent's position was that all contractors are appointed from a panel. We respectfully remind the Respondent that whilst it is entitled to use panel-appointed contractors, it should take steps to regularly test the market as to whether the costs of such contractors are competitive.

70. Absent any evidence from the Applicants in support of their submission, we make no adjustment to the amount the Applicants are liable to pay simply because LHPML engaged contractors from Maidstone or London rather than Folkestone.

*Unexplained payments covered by Sennen and LHPML as managing agents and the unexplained payment from an insurer*

71. There had been a lack of clarity ahead of the hearing as to what the Applicants' concerns related to, but at the hearing it transpired that the income received by Sennen and LHPML during y/e 31 December 2024 declared in the audited accounts was approximately £105,000 whereas Mr Hart had found payments totalling over £121,000.

72. It became clear that the difference could be accounted for by the pay out made by the Respondent's insurers, A J Gallagher, in the sum of £16,705.50 on 21 June 2024 [285]. It was explained that this was in respect of a claim for a water leak.

*Coopers Window Cleaning*

73. This is an example of the Applicants making an unsubstantiated submission, which was that the bank statement did not support the amounts recorded on the Expenditure Sheet prepared by LHPML. The Applicants submitted that only a single payment of £1,725.00 had been made, whereas invoices for £3,450 had been raised in 2024, and there were additional invoices recorded as expenditure totalling £7,583.00.

74. In fact, two payments were recorded on 21 October 2024 [291] and 22 November 2024 [293], and the Applicants had only provided copies of the bank statements from 20 May 2024 to 24 January 2025 [283-293]. Those payments reflected the sums allocated in 2024 [207].

75. Whilst the underlying invoices had not been provided, there was no evidence to suggest that the window cleaning had not taken place. Indeed, it was not disputed that Mr Hart had challenged the window cleaner when he had entered into the garden of 2 Shorncliffe House by climbing over the gate.

76. There was no evidence that the window cleaning was not done to a reasonable standard. For y/e 31 December 2025, we are only being asked to consider

whether the cost estimated for window cleaning in that year would be reasonable and there was no evidence to suggest it would not be. We make no adjustment to the amount the Applicants are liable to pay.

#### *EV Chargers*

77. The Applicants challenged the further costs incurred in respect of EV Chargers at the Property which have never worked. This is because the Respondent had originally approached BRDY to have a built-in SIM card added to the chargers to allow payment to be made, but this had not worked due to the poor signal in the area. BRDY had then gone into liquidation.
78. It was established that the chargers required a wi-fi connection instead and this was installed but when the Developer went into liquidation in 2023, the EV charger company had removed the hardware within but it was not understood until sometime later what had happened. Mr Wallbrook confirmed that the Respondent is currently engaging with Roam to commission the EV chargers into operation by using a satellite connection instead.
79. Whilst undoubtedly costs have been incurred which have not led to successful commissioning of the EV chargers at the Property, that does not in itself render the costs as unreasonably incurred or unreasonable in themselves. It was not clear from the Applicant's submissions whether the disputed charge of £3,186.00 was incurred in either 2024 or 2025. We make no adjustment to the amount the Applicants are liable to pay.

#### *Engineering insurance*

80. The Applicant queried the purpose of this. We were told by Mr Cobrin that this related to insurance of the lifts in each building, including the preparation of a LOLER (Lifting Operations and Lifting Equipment Regulations) report which is a statutory requirement for any lift used in a workplace. A LOLER report is not an 'insurance report', but it is frequently mandated by insurers to maintain public liability coverage. The LOLER report is a systematic and detailed examination of the equipment and safety-critical parts, carried out at specified intervals by a competent person who must then complete a written report containing the information required by LOLER Schedule 1.
81. We regard the preparation of a LOLER report and placement of such insurance to be sensible, and absent any evidence that the costs are not reasonable or that the service is not of a reasonable standard, we find the Applicants are liable to pay the service charge for this item in full.

### *LM&E Invoice*

82. The relevant invoice in dispute dated 17 June 2024 was described as relating to a call out on 7 December 2024 [280]. The Applicants submitted there was a further inconsistency in that the metadata for the pdf file showed a creation date of 3 September 2024. There might have been an error in the call out date but Mr Cobrin explained that LM&E was not added to their database as a new supplier until 3 September 2024, and the invoice had only been presented in pdf format. If the creation date metadata shows 3 September 2024 rather than the invoice date of 17 June 2024, we find that is a matter for LM&E although Mr Corbin conceded that this had created confusion. The presentation of the invoice on or around 3 September 2024 was consistent with a first payment relating to the invoice being made on 18 September 2024 [288], whilst the VAT element was paid separately on 24 January 2025 [292].
83. The Respondent's Response [76] had explained that the costs were incurred in respect of "*Communal Water Tank/Pump Maintenance*". Mr Cobrin explained at the hearing in more detail that such work included water cleansing, Legionella testing, checking and maintaining the pumps and checking the boilers and heat interface units.
84. There was no evidence that the work done by LM&E was not done to a reasonable standard or that the costs were not reasonable. For y/e 31 December 2025, we are only being asked to consider whether the cost estimated for "*Communal Water Tank/Pump Maintenance*" in that year would be reasonable and there was no evidence to suggest it would not be. We make no adjustment to the amount the Applicants are liable to pay.

### *Mansafe System*

85. The Applicants submitted that a local contractor, Metroline, who already carry out the gate maintenance is able to carry out inspection and maintenance of the Mansafe System and should have been employed instead.
86. Mr Cobrin said that he had known Metroline very well over many years, and would be happy to engage them, but he was not aware that they carried out inspection and maintenance of Mansafe Systems. Heightsafe Systems had been appointed to a panel of contractors that LHPML use, and that was why they had been instructed. Mr Cobrin stressed that he did not accept or solicit commissions.
87. There was no evidence that the work done by Heightsafe Systems was not done to a reasonable standard or that the costs incurred of £834.00 [295] were not reasonable. We make no adjustment to the amount the Applicants are liable to pay.

### *Rooflights*

88. The Applicants submitted that there was a lack of clarity as to where on each building, the rooflights are located that required cleaning by Pristine. An aerial view of the buildings could be seen on Rightmove. The rooflights are situated on the penthouse flats in each building. Mr Lucy said that he had moved in in late 2022 and nobody had ever requested access to the flat roof above 14 Enbrook House by accessing it through the rooflight in his flat.
89. An invoice dated 10 September 2024 had been presented by Pristine Specialist Cleaning Services Limited (“Pristine SCS”) in relation to window cleaning of roof lights on 9 September 2024. Notwithstanding Mr Lucy’s oral evidence, we are satisfied on the balance of probabilities that the works were undertaken.
90. There was no evidence that the work done by Pristine SCS at height, however access was secured, was not done to a reasonable standard or that the costs were not reasonable. in or in contemplation of any proceedings or the service of any notice under Sections 146 and 147 of The Law of Property Act 1925

### *Dormant accounts*

91. The status of the Respondent under the Companies Act 2006 and whether it should be allowed to rely upon the exemption afforded to a dormant company when it comes to accounting requirements is not a matter which falls within our jurisdiction.

### Y/e 31 December 2025

92. The costs of an estimate, or on-account, demand can be challenged as being unreasonable (see s.19(2) LTA 1985).
93. The ‘budget v actual’ expenditure spreadsheet [202] may be the Respondent’s attempt to improve transparency, but it is not relevant to the setting of the y/e 31 December 2025 estimate service charge, and we disregarded it.
94. We are not minded to make any adjustment to the amount the Applicants are liable to pay under the y/e 31 December 2025 estimate service charge in light of the fact that the Applicants did not take us to specific line items that make up the budgeted amount, had not evidenced why certain costs would be unreasonably incurred or unreasonable in amount, and our findings above that the Applicants’ submissions on the reasonableness of other charges are without merit.

Recharge for window cleaning

95. The Respondent's window cleaners had attended Shorncliffe House on or before 7 May 2025. It is alleged by the Respondent that Mr Hart refused access to the garden of 2 Shorncliffe House to allow the window cleaner to carry out cleaning of the upper storeys to the rear of Shorncliffe House. This had necessitated the window cleaner to return on another day, and the Respondent sought to recover 50% of the invoice by way of a "recharge" of £337.50 as demanded on 21 May 2025 [182].
96. We consider such a 'recharge' to fall within the definition of a variable administration charge since it is "*an amount payable by a tenant of a dwelling as part of or in addition to the rent which is payable, directly or indirectly... (d) in connection with a breach (or alleged breach) of a covenant or condition in his lease*" (para. 1(1)(d), Sch.11, CLRA 2002) and the amount payable is "*neither— (a) specified in his lease, nor (b) calculated in accordance with a formula specified in his lease*" (para. 1(3), Sch.11, CLRA 2002).
97. The Tribunal may determine an application "*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."*
98. Mr Hart submitted that the Lease does not permit the recovery of such a charge.
99. Mr Cobrin submitted that it was "*traditional*" to demand a 'recharge' if the Respondent has incurred expenses that would otherwise come from the service charge as the result of a default by a tenant, but he could not take us to a provision in the Lease permitting such a practice.
100. Under Cl. 3 Mr Hart had covenanted with the Respondent as both Landlord and Management Company to observe and perform the obligation under para. 28, Pt. Two, Sch. 7 to the Lease and:
- "Not to interfere with or obstruct in the performance of the duties from time to time imposed upon him by the Management Company or any employee of the Management Company"*

101. Allowing access for the window cleaner arguably falls within duties from time to time imposed, but Mr Hart was unhappy that the window cleaner had entered his garden without prior notice and on the instruction of LHPML when, in his view, AMSBM was the instructed managing agent and had not commissioned Coopers to carry out window cleaning. We do not find that was the case; as to whether AMSBM has a cause of action against the Respondent is not within our jurisdiction.
102. However, even if Mr Hart was in breach of the Lease, he has only covenanted with the Respondent as Landlord under para. 2, Pt. Two, Sch. 7 to the Lease:
- “To pay all costs charges and expenses (including legal costs and fees payable to a Surveyor) incurred by the Landlord in or in contemplation of any proceedings or the service of any notice under Sections 146 and 147 of The Law of Property Act 1925... and such costs charges and expenses shall be paid whether or not forfeiture of any breach shall be avoided otherwise than by relief granted by the Court”*
103. We do not regard demand of a contribution of the ‘wasted costs’ of not carrying out the window cleaning on that day to fall within costs incurred “*in or in contemplation of any proceedings or the service of any notice under Sections 146 and 147 of The Law of Property Act 1925*”. We find that Mr Hart is not liable to pay the demand dated 21 May 2025 [182].

### **Application Under s.20C and Para.5A and Refund of Fees**

104. The Applicants have applied for an order for the reimbursement of fees paid by them in connection with these proceedings. Having considered submissions from the parties and taking into account the determinations above, the Tribunal does not order the Respondent to refund all fees paid by the Applicants in connection with these proceedings.
105. In the Application [30-31], the Applicants have sought orders under s.20C LTA 1985 and under para. 5A, Sch. 11 CLRA 2022 preventing the Respondent from recovering any of its legal costs of these proceedings from the Applicants either as a service charge or as an administration charge.
106. Having taken into account the determinations above, the Tribunal determines that it would not be just and equitable in the circumstances for an order to be made under s.20C LTA 1985 Act and declines to do so.
107. Since the Application was commenced by the Applicants, the costs of these proceedings cannot be said to have been incurred pursuant to under Cl. 3 and para. 2, Pt. Two, Sch. 7 to the Lease.

108. However, for the avoidance of doubt we consider it just and equitable to make an order under para. 5A, Sch. 11 CLRA 2002, so that the Respondent may not recover from the Applicants any of its costs incurred in connection with the proceedings before the Tribunal as an administration charge.

### **Rights of appeal**

1. A person wishing to appeal this decision to the Upper Tribunal (Lands Chamber) must seek permission to do so by making written application to the First-tier Tribunal at the Regional office which has been dealing with the case.
2. The application must arrive at the Tribunal within 28 days after the Tribunal sends to the person making the application written reasons for the decision. Where possible you should send your further application for permission to appeal by email to [rpsouthern@justice.gov.uk](mailto:rpsouthern@justice.gov.uk) as this will enable the First-tier Tribunal to deal with it more efficiently.
3. If the person wishing to appeal does not comply with the 28-day time limit, the person shall include with the application for permission to appeal a request for an extension of time and the reason for not complying with the 28-day time limit; the Tribunal will then decide whether to extend time or not to allow the application for permission to appeal to proceed.
4. The application for permission to appeal must identify the decision of the Tribunal to which it relates, state the grounds of appeal, and state the result the party making the application is seeking.