PROPERTY CHAMBER (RESIDENTIAL PROPERTY)

Case reference	**:**	**LON/00BK/LSC/2025/1185**
Property	**:**	**Flat 2, 110 Eaton Square, London SW1W 9AA**
Applicant	**:**	**Petana Limited**
Representative	**:**	**W Legal Limited (Paul Simon)**
Respondent	**:**	**Eaton Square Properties Limited**
Representative	**:**	**Trowers & Hamlin LLP (Emma Salvatore)**
Type of application	**:**	**For the determination of the liability to pay service charges under section 27A of the Landlord and Tenant Act 1985 and administration charges under Schedule 11 to the Commonhold and Leasehold Reform Act 2002**
Tribunal members	**:**	**Judge Pittaway** **Ms A Kelly MRICS**
Venue	**:**	**10 Alfred Place, London WC1E 7LR**
Date of decision	**:**	**17 June 2026**

DECISION

Decisions of the Tribunal

(1) The Tribunal makes the determinations as set out under the various headings in this Decision

(2) The Tribunal does not make an order under section 20C of the Landlord and Tenant Act 1985 in respect of the landlord's costs of the tribunal proceedings.

The applications

1. The Applicant seeks a determination pursuant to s.27A of the Landlord and Tenant Act 1985 ("the 1985 Act") and Schedule 11 to the Commonhold and Leasehold Reform Act 2002 ("the 2002 Act") as to the amount of service charges and (where applicable) administration charges payable by the Applicant on account in respect of the service charge year 1 April 2025 to 31 March 2026. The Applicant made a separate application on the same date for a determination of liability to pay administration charges under Schedule 11 of the 2002 Act, which appears to relate to the same administration charges.

The hearing

2. The Hearing took place on 20 May 2026.

3. At the Hearing the Applicant was represented by Mr Paul Simon of W Legal Limited and the Respondent was represented Mr Rupert Cohen of counsel.

4. At the start of the Hearing the Tribunal had before it a bundle of 1031 pages, the skeleton argument of Mr Cohen and a bundle of authorities. Immediately before the Hearing began the Tribunal was handed the Respondent's skeleton argument, which Mr Cohen confirmed he had seen.

5. Mr Simon raised as a preliminary issue permission for Mr Hassan to give evidence from New York. He apologised for not having appreciated sooner that he should have raised this with the Tribunal. Mr Cohen did not object to Mr Hassan giving evidence from United States of America. The Tribunal gave permission for Mr Hassan to give evidence from New York.

6. The Tribunal heard evidence from Mr Mohsen Hassan for the Applicant and from Mr Graham Rowe for the Respondent. Mr Douglas Crichton for the Respondent was also in attendance. Mr Simon did not seek to cross-examine him on his witness statement.

7. The Tribunal heard submissions from Mr Cohen and Mr Simon.

8. The Tribunal did not have time to make its determination after the Hearing on 20 May. It therefore reconvened on 2 June without the parties to make its determination.

The background

9. The property which is the subject of this application is described in the application as being a maisonette on part of the first and second floors of a house converted into three flats.

10. Neither party requested an inspection and the Tribunal did not consider that one was necessary, nor would it have been proportionate to the issues in dispute.

11. The Applicant holds a long lease of the property made between Eaton Square Properties Limited (**'ESPL**') (1) Park Lane Properties Limited (2) Windrow Holdings Limited (3) and Belgravia Estate Services Limited (4) which requires the landlord to provide services and the tenant to contribute towards their costs by way of a variable service charge. The specific provisions of the lease and will be referred to below, where appropriate. Belgravia Estate Services Limited, defined in the Lease as the 'Company', is now known as Grosvenor Property Management Services Limited.

The issues

12. At the start of the hearing the parties identified the relevant issues for determination as follows:

    (i) Is the invoice for the estimated service charge from 25 March 2025 a valid demand?

    (ii) Has the Applicant received a valid demand for administration charges?

    (iii) The reasonableness of the sums demanded.

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

Has the Applicant received valid service charge demands for estimated service charge for the year from 1 April 2025?

14. The Applicant disputes the validity of the demands issued on the primary ground that the Respondent has no standing under the terms of the lease to manage the building and demand service charge.

15. If the Respondent is entitled to receive the service charge the Applicant submits that it is not liable to pay the sums demanded because

- relevant dates for payment on the service charge demands are incorrect;

- Payment is to be made to Grosvenor Investments Limited ('**GIL**'); and
- The demands should have been served, but were not, in accordance with clause 6.8 of the Lease;

16. In his witness statement Mr Crichton stated that since the lease had been granted there had been an agreement between ESPL and the Company that, notwithstanding the terms of the Lease, ESPL would provide the services which the Company had covenanted to provide and demand the Service Charge and this is what it has been doing since the Lease was granted. Mr Crichton stated that the previous tenant had agreed (explicitly or implicitly) to this arrangement, and that Pestana Limited has been aware of the arrangement since it became tenant in 2006 and has never previously challenged the arrangement. It has previously paid service charge to ESPL without any objection to that company's entitlement to receive the payment.

17. Mr Rowe gave evidence that since 2006 the Applicant has always paid its service charge in the form of the present demands. It had never objected to the form of demand nor asserted that the service charge was not being demanded in accordance with the terms of the lease.

18. Mr Cohen submitted that the facts of the case fit squarely with 'classic estoppel by representation and/or convention framework in which the parties have shared a common assumption'. He referred the Tribunal to the decision in *Tinkler v Revenue and Customs Commissioners* [2021] UKSC 39. Mr Cohen also referred the Tribunal to the decisions in *Sanderson v Cambridge Park Court Residents Association Ltd* [2018] UKUT 182 and *Admiralty Park Management Company Limited v Mr Olufemi Ojo* [2026] UKUT 421 ***('Admiralty case')*** as authorities where the Tribunal has applied estoppel to stop tenants taking unmeritorious points about service charge machineries where they have acted inconsistently with that.

19. Mr Simon submitted that for there to be estoppel by convention there must be a common assumption.

20. For the Applicant Mr Hassan submitted that the invoices were defective because

    - they were addressed to addressed to Petana Ltd not Petana Limited
    - they were not served in accordance with clause 6.8 of the lease. They were uploaded on the Respondent's portal and sent to Mrs Amon (not Mrs Hejailan-Amon) by email. He submitted the invoice was defective because it was addressed to Petana Ltd, and that referred to Mrs Amon rather than Mrs Hejailan-Amon.

21. The Respondent submitted that 'Ltd' is an accepted and common abbreviation for "Limited' for a private Company incorporated in Jersey.

22. Mr Rowe gave evidence that on 31 March 2021 Mr Hassan had contacted Grosvenor Property UK, by whom he is employed as a Senior Management Surveyor, requesting that all future correspondence be sent by e mail to tracey834office@gmail.com and mohsen.834office@gmail.com and to Mrs Amon at her New York postal address. Thereafter all demands for sums due have been sent to those two e mail addresses. Demands were uploaded to Grosvenor Connect, for the leaseholder's convenience.

23. Mr Cohen submitted that clause 6.8 relates to notices not demands. Clause 6.8 is not mandatory, but a mechanism for deeming receipt if its provisions are complied with. Receipt of the invoices in question is not disputed by the Applicant.

24. Mr Simon submitted that the demands were invalid because they did not contain the information required by sections 47 and 48 Landlord and Tenant Act 1987. They require payment to GIL, who is neither the landlord nor management company under the lease. It is not a member of any redress scheme so not authorised to manage on behalf of the Respondent. Mr Simon submitted that they were not served in accordance with the terms of the lease, specifically clause 6.8.

25. For the Respondent Mr Cohen submitted that each invoice contains the landlord's name and address in England and Wales. Each invoice states that it is served "For and on behalf of: Eaton Square Properties Ltd" and, on the second page, below the "Service Charges: Summary of Tenants' Rights and Obligations" there is a box which shows contact details including the postal address of 70 Grosvenor Street, London W1K 3JP. This is the registered office address for all Grosvenor entities and is the landlord's address for service of notices as included in the Lease.

26. Mr Rowe gave evidence that GIL is not a managing agent and as such is not required to registered with either TPO or PRS. The Grosvenor Estate operates a centralised treasury, under which a single central bank account is used. Mr Cohen submitted that the invoice had been correctly raised by ESPL as the leaseholding entity, and that a landlord is entitled to direct payment to where it so wishes. Mr Rowe's witness statement explained that Grosvenor operates a centralised treasury and banking arrangement, under which a central bank account is used to facilitate receipts on behalf of multiple group entities. Payments relating to invoices raised by ESPL are requested to be made into the Group's central bank account held by GIL,and are subsequently allocated internally to the relevant entity.

27. Mr Simon referred the Tribunal to the invoice dated 6 May 2025 which demands £32,974.23 for the period 25 March 2025 to 23 June 2025 and states that it is due by 1 June 2025. Mr Hassan submitted that it actually related to the June Quarter. Mr Simon challenged the validity of the demand as it did not give the due date for payment as a Quarter Day, but rather 1 June 2025.

28. Mr Rowe gave evidence that this invoice had been submitted late because of a VAT error on Grosvenor's system which took time to resolve and affected various properties in the Grosvenor portfolio, including Eaton Square. It was for this reason that the Invoice showed that the rent was due by 1 June 2025 rather than 25 March 2025.

29. Mr Cohen submitted that Mr Hassan was incorrect when he challenged the invoice on the grounds that it should have related to the June quarter. Where an Accounting Period ends on the last day of March (as it does in this lease) Paragraph 11 of Part 1 of Schedule 4 allows the Respondent to deem the payment on account due on 25 March to be paid on account of Service Charge for the following Accounting Period. Mr Cohen also submitted that there was nothing in the lease which required any payment on account to be made on the quarter day.

The Tribunal's decision

30. The Tribunal determines that the demands for service charge on account were valid.

Reasons for the Tribunal's decision

31. Paragraph 6 of Part II of the 4th Schedule provides that,

'*6. The Landlord shall comply with the Company's obligations in this Lease and be entitled to the benefit of the Company's rights and discretions if: ……*

6.2 the Company so requests by notice to the Landlord and the Tenant.'

Clause 6.8 of the Lease states that, 'Any notice served under this Lease

6.8.1 shall be in writing….'

32. There is no evidence that any tenant under the Lease had been given written notice that the Company wanted the Landlord to undertake its obligations under the Lease, however the Tribunal finds on the evidence before it that the Applicant has acquiesced in the Respondent managing the Building and demanding the service charge and has paid the Respondent the service charge for a number of years. There was a common assumption that this was how the services were provided and paid for. It would be unfair for the Applicant now to rely on a ground that it had not chosen to raise previously, having owned the property since 2006.

33. Judge Martin Rodgers, in his decision in the *Admiralty case*, quotes the legal principle of estoppel by convention set out by Lord Steyn in *Republic of India v India Steam Ship Company Limited* [1998] AC 878;

"It is settled that an estoppel may arise where parties to a transaction act on an assumed state of facts or law, the assumption being either shared by both of them or made by one and acquiescing by the other. The effect of the estoppel by convention is to preclude a party from denying the assumed facts or law if it would be unjust to allow him to go back on an assumption…it is not enough that each of the two parties acts on an assumption not communicated to the other. But it was rightly accepted by counsel for both parties that a concluded agreement is not required for an estoppel by convention."

34. At paragraph 39 of his judgement Judge Rodgers mentions that it is key that the method of apportionment (which was the issue in that case) was obvious to the leaseholders, and that no objection was taken by the tenant or by any other lessee to this method of accounting (paragraph 40). In addition, at paragraph 44, Judge Rodgers confirms that it is due to both the tenant's prolonged acquiescence and failure to dispute his liability to pay the service charges which were incorrectly accounted for that led to a conventional mode of dealing existing between the parties. It was therefore unfair for the tenant to now be able to dispute his liability on ground which he had chosen not to raise for many years.

35. There is no evidence before the Tribunal that 'Ltd' is not a usual abbreviation for 'Limited' in Jersey. In the absence of any such evidence the Tribunal finds that the invoice was not invalidated by reason of it having been addressed to Petana Ltd. The Tribunal further notes that in his e mail of 31 March 2021 Mr Hassan referred to Petana Limited as Petana Ltd.

36. Clause 6.8 of the lease specifically relates to '*Any notice served under this lease*'. A service charge demand is not a 'notice' for these purposes so that this clause is not relevant to the validity of the service charge demands. Paragraph 3 of Part 1 of Schedule 4 of the Lease states, '*Save for the first Accounting Period the Company shall prepare a statement containing a reasonable estimate of the Service Charge for each Accounting Period which shall be the provisional Service Charge for that Accounting Period.'*

37. The Tribunal finds that the Respondent prepared such a statement and that it was sent to the Applicant by e mail as it had requested, and that it has clearly been received by it.

38. S47(1) Landlord and Tenant Act 1987 provides, '*Where any written demand is given to a tenant of premises to which this Part applies, the demand must contain the following information, namely – (a) the name and address of the landlord'*.

    S48(1) Landlord and Tenant Act 1987 provides, *'A landlord of premises to which this Part applies shall by notice furnish the tenant with an address in England and Wales at which notices (including notices in proceedings) may be served on the tenant*.

39. The Tribunal finds that the invoices complied with ss47 and 48 of the Landlord and Tenant Act 1987, for the reasons given by Mr Cohen.

40. The Tribunal finds that there is nothing in the lease which prevents the Respondent directing that the service charge be paid to GIL.

41. Service charge is dealt with under Schedule 4 of the Lease. By paragraph 2 of Part 1 of Schedule 4 the tenant covenants with the Landlord and separately with the Company to pay the Service charge to the Company. The Company is Belgravia Estates Limited. Paragraph 3 provides for the Company to provide a ‘ statement containing a reasonable estimate of the Service charge for each Accounting Period which shall be the provisional Service charge for that Accounting Period.’ Paragraph 4 provides that , ‘The Tenant shall pay the provisional Service Charge….by four equal instalments on the Quarter Days in the Accounting Period to which the statement relates.’ By definition each Accounting Period in the lease (except for the first and last years of the lease term) is calculated from 1 April. Paragraph 11 of Part 1 of Schedule 4 allows the Company to elect to treat a sum due on 25 March in any year to have deemed to have been paid on account for the following Accounting Period but that is not what happened here.

42. The Tribunal finds that the lease permits the Respondent to treat a demand stated to relate to the period 25/03/2025-23/06/2025 to be the quarterly service charge on account for the first quarter of the Accounting Period commencing 1 April 2025. Paragraph 11 of Part 1 of Schedule 4 does not require the service charge to be paid on the quarter day; it only states to what period the payment may relate. Paragraph 3 of Part 1 of Schedule 4 provides for the Tenant to pay the estimated Service Charge on the Quarter Days in the Accounting Period, but it does not make time of the essence of such payment. There is nothing in the lease to prevent the landlord requesting payment by a later date, which is what it did here in relation to the first quarter.

<u>Has the Applicant received a valid demand for administration charges?</u>

43. Mr Simon challenged the demand for the administration charges on the grounds that it was not accompanied by the applicable prescribed summary of the Applicant’s rights and obligations. Mr Hassan submitted as the sum of £1,341 related to costs in connection with arrears these could only be recovered in the County Court. Mr Simon submitted that as the costs related to a claim in the county court in respect of which no costs order had been made the Applicant should not be liable for the costs.

44. Mr Cohen accepted that the original demands for legal costs were not accompanied by the correct summary of Tenant’s Rights and Obligations but submitted that this had now been corrected so that the sums are due. He referred the Tribunal to Mr Rowe’s evidence that the invoices had now been re-issued and copies of these reissued invoices in the bundle.

The Tribunal's decision

45. The Tribunal determines that the administration charges are recoverable, and in the sums demanded by the Respondent.

Reasons for the Tribunal's decision

46. The Tribunal finds that there was no longer an issue as to the recoverability of the costs by reason of the correct summary of Tenant's Rights and Obligations not having been included. It had now been included.

47. Clause 3.49 of the lease provides'

'*To pay the landlord and the Company on demand and indemnify the Landlord and the Company against all costs fees damages charges and expenses……. Incurred by the Landlord or the Company respectively in connection with or incidental to:*

3.49.4 the recovery or attempted recovery of arrears of rent or other sums due from the Tenant under this Lease or any other breach by the Tenant of its obligations in this Lease.'

48. The Applicant has provided no evidence that the costs were not incurred in the attempted recovery of arrears from the Tenant. The invoices in the bundle point to their having been incurred in connection with the recovery of arrears. The invoice of 21 August 2025 (p222) specifically states that it is an invoice for '*Legal fees For Arrears Recovery'*.

49. That the costs may have been incurred in connection with county court proceedings does not prevent the Tribunal determining liability to pay the same. Paragraph 5 of Schedule 11 Commonhold and Leasehold reform Act 2002 gives the Tribunal jurisdiction to determine payability of an '*administration charge* which is defined in paragraph 1 of the same Schedule as *'an amount payable by a tenant of a dwelling…… directly or indirectly-(d) in connection with a breach (or alleged breach) of a covenant or condition in his lease.'*

50. The amount of the administration charges was not challenged by the Applicant, only liability to pay.

The reasonableness of the sums demanded by way of estimated service charge.

51. S19(2) Landlord and Tenant Act provides,

'*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'*.

52. Mr Cohen referred the Tribunal to the decision in *Knapper v Francis* [2017] UKUT 3 at paragraph 32, '*The question of what sum ought reasonably to be paid on a particular date, or ought reasonably to have been paid at an earlier date, necessarily depends on circumstances in existence at that date, and should not vary depending on the point in time at which the question is asked*'

53. Mr Cohen also referred the Tribunal to the decision in *Okoye v Gray's Inn Capital* [2025] UKUT 195 (LC) as authority for the proposition that a lessee who seeks to challenge the reasonableness of a service charge must put forward a prima facie case that the charges are unreasonable.

54. The budgeted sum for the year from 1 April 2025 was £330,155 of which £208,000 was budgeted for major works.

55. Mr Hassan provided a 'benchmark' analysis, expressly stated not to be 'an expert surveyor's valuation'. During cross examination he referred to its source as a 'specialist piece of software' the source of which was not disclosed. In his witness statement he expressed the view that the cost of the major works had been inflated because of duplicate costs and disproportionately high professional and management fees. He suggested that the works could have been completed for substantially less, and referred to the current actual expenditure as having been less.

56. Mr Rowe gave evidence that the Major Works were carried out at agreed contract rates under a qualifying long term agreement (**QTLA)** in respect of which there had been full resident consultation under Schedule 1 The Service Charge (Consultation Requirements) (England) Regulations. The Applicant had not responded or made any observations. The Major Works had also been the subject of a resident consultation under Schedule 3 of the Regulations. Again the Applicant had not responded or made observations. A meeting to discuss the budget had been offered but not taken up. Mr Rowe also stated that Grosvenor contributes 41.4% of the service charge for the building and has every interest in keeping costs in respect of the Major Works reasonable.

57. Mr Cohen submitted that there was no supporting evidence to Mr Hassan's benchmark, that it was uninformed commentary, that it was based on mistaken assumptions (e.g that a 'Condition B project' is an industry standard when it is not), that it relies on actual costs not known at the date of the estimate.

58. Mr Cohen submitted that the figure of £208,000 was not greater than reasonable on the grounds that

- The contract for the works arose from a competitive tender for a QLTA for major works which provides for fixed rates for work done.

- The budget pack in the bundle is detailed and shows exactly what repair was to be done and the cost per unit of labour.
- The sums are a function of a detailed major works contract between Grosvenor and PJ Harte Limited (the contractor).
- Each element of that contract had a detailed specifications of the quality required.
- There had been s.20 consultation for the major works themselves.

59. In relation to the other sums challenged by the Applicant Mr Cohen divided these into

- challenges based on the fact there have been increases from the year before (Security (B) - £8,600; Staff Flat Maintenance (B) - £500; Property Manager Fee (B) - £2,855); Routine Cleaning (CP) - £8,210; Mechanical / Electrical Repair (CP) - £31,000; Lift Maintenance (CP) - £5,320); and
- Challenges based on no supporting argument at all save to say that "*the item needs to be better understood in the context* [of other charges]" (Routine Cleaning (B - £760; Mechanical / Electrical Repair (M&E) - £3,000; Air Conditioning (M&E) - £235; Electrical Wiring / Distribution (M&E) - £1,135; Hearing System (M&E) - £2,160; Hot and Cold Water System (M&E) - £3,240; Building Fabric Repair (CP) - £1,500; Management Fee (CP) - £1,105)

60. Mr Rowe gave evidence that the property is a prime property in one of Central London's most exclusive and prestigious neighbourhoods. Residents in Eaton Square expect, and are provided with, a high amenity offering including concierge, security and daily cleaning to a very high standard resulting in service charges that are higher than the average residential property.

61. Mr Cohen submitted that the Applicant had not put forward a prima facie case that the costs were unreasonable and its challenge should be rejected as per *Okoye v Grey's Inn Capital.*

62. Mr Simon challenged the other items of service charge set out in the Scott Schedules before the Tribunal in his skeleton argument on various grounds including by reference to the actual cost of the items in question, either in previous years or the year in question, and because the budgeted sum was greater than the actual cost in the previous year. He did not address the Tribunal at the hearing on the Landlord's comments on these in the Scott Schedules.

<u>The Tribunal's decision</u>

63. The Tribunal finds the sums demanded on account of service charge to have been reasonable.

Reasons for the Tribunal's decision

64. The Tribunal finds that the actual cost of the Major Works is irrelevant to whether the sum demanded on account of those works is reasonable, as held in *Knapper v Francis*.

65. For the same reason the actual cost of any other challenged item of service charge is irrelevant.

66. The Respondent has provided a clear explanation as to how it budgeted the cost of the Major Works, supported by independent costings. It undertook s20 consultation before entering into the LTQA and in connection with the Major Works, to which the Applicant did not respond.

67. The Applicant has provided little evidence for its challenge of the Major Works. By his own admission Mr Hassan is not an expert and he has provided no alternative independent quotes or estimates. The source of his benchmarking report has not been disclosed. Accordingly, the data set and parameters used in determining timelines and percentage costings remains undisclosed. The Tribunal has placed limited weight on the report in the absence of better detail as to the methodology behind it.

68. The Tribunal has reviewed the comments of both the tenant and landlord in the Scott Schedules (copies of which are included with this decision for ease of reference) and accepts the Landlord's explanations of any increases in budget over the costs incurred in the previous year as being reasonable.

Applications under s.20C

69. In its application forms the Applicant applied for orders under section 20C of the 1985 Act. Having heard the submissions from the parties and taking into account the determinations above, the Tribunal determines that it would not be just and equitable in the circumstances for orders to be made under section 20C of the 1985 Act.

Name: Judge Pittaway **Date:** 17 June 2026

Rights of appeal

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

If a party wishes to appeal this decision to the Upper Tribunal (Lands Chamber), then a written application for permission must be made to the First-tier Tribunal at the regional office which has been dealing with the case.

The application for permission to appeal must arrive at the regional office within 28 days after the tribunal sends written reasons for the decision to the person making the application.

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

The application for permission to appeal must identify the decision of the tribunal to which it relates (i.e. give the date, the property and the case number), state the grounds of appeal and state the result the party making the application is seeking.

If the tribunal refuses to grant permission to appeal, a further application for permission may be made to the Upper Tribunal (Lands Chamber).

SCHEDULE

DISPUTED BLOCK SERVICE CHARGES S/C YEAR ENDED 31 March 2026

Case Reference:	LON/00BK/LSC/2025/1185
Premises:	Flat 2, 110 Eaton Square, London SW1W 9AA

ITEM	COST	TENANT'S COMMENTS	LANDLORD'S COMMENTS	LEAVE BLANK (FOR THE TRIBUNAL)
Cleaning, Security Routine Cleaning	£760.00	Paragraphs 1, 2 and 4 of Part I, Schedule 4 Paragraph 1 of Part II, Schedule 4 Paragraph 1 of Part III, Schedule 4 This item is disputed. This sum needs to be better understood in the context of Routine Cleaning in the "Common Parts" schedule.	This is for the external element of the cleaning that is undertaken.	
Cleaning, Security Security	£8,600.00	Paragraphs 1, 2 and 4 of Part I, Schedule 4 Paragraph 1 of Part II, Schedule 4 Paragraph 1 of Part III, Schedule 4 This item is disputed. The budgeted sum represents a 13.16% increase on the sum budgeted in the previous year and a 22.86% increase on the sum budgeted for YE 31 March 2024. Further, neither Part III nor Part IV of Schedule 4 refers to "Security". Therefore, the Applicant does not understand the basis upon which this is charged.	The security costs have increased to £8600 from £7600 the previous year – this cost is charged in line with our contract for security which was consulted on and is shared across Eaton Square. Paragraph 17 of Part VI of Schedule 4 gives the landlord the discretion to provide (and recover the costs of providing) a security service if it considers this to be desirable for the provision of services or for good estate management.	
Building Fabric Ext Decorate & Repair	£208,000.00	Paragraphs 1, 2 and 4 of Part I, Schedule 4 Paragraph 3 of Part III, Schedule 4 Actual expenditure was £179,057.06.	This was for the cyclical external redecoration and repair project. A full consultation was conducted which the leaseholder did not participate in, and a resident budget meeting	

			offered before the budget was set which the resident did not engage in. As noted by the tenant, the actual expenditure for this project was below budget.	
Onsite staff (caretakers, building managers, receptionists) Staff Flat Maintenance	£500.00	Paragraphs 1, 2 and 4 of Part I, Schedule 4 Paragraph 3.2 of Part IV, Schedule 4 Paragraph 3.3 of Part VI, Schedule 4 This item is disputed. The budgeted sum represents a 400% increase on the sum budgeted in the previous two years.	Whilst the budget was low, the actual expenditure in 2024 was £314.87 and the actual expenditure in 2025 was £550.60. therefore the budget has increased £100 to £500 to reflect this expenditure. Please note this is a reactive provision and any funds not spent are refunded.	
Onsite staff (caretakers, building managers, receptionists) Property Manager Fee	£2,855.00	Paragraphs 1, 2 and 4 of Part I, Schedule 4 Paragraph 9 of Part VI, Schedule 4 This item is disputed. The budgeted sum represents a 165% increase on the sum budgeted in the previous year and a 191.21% increase on the sum budgeted for YE 31 March 2024. This sum needs to be better understood in the context of the two Grosvenor Management Fees elsewhere in the budget.	This was communicated within the 2026 budget and would have been discussed in more detail at the 2026 budget meeting. This is the costs incurred in providing the wider Eaton Square dedicated resource such as the Senior Eaton Square Property Relationship Manager, Senior Eaton Square Facilities Manager, and the wider team that support them, such as admin functions etc – these charges are shared across the portfolio and calculated on a block by block basis. The fee did increase this year in line with the explanation in the budget pack, and there was a slight reduction in the management fee.	

<u>SCHEDULE</u>

DISPUTED BOILERS/GAS SERVICE CHARGES S/C YEAR ENDED 31 March 2026

Case Reference:	LON/00BK/LSC/2025/1185
Premises:	Flat 2, 110 Eaton Square, London SW1W 9AA

ITEM	COST	TENANT'S COMMENTS	LANDLORD'S COMMENTS	LEAVE BLANK (FOR THE TRIBUNAL)
Mechanical & Electrical Mechanical/ Electrical Repair	£3,000.00	Paragraphs 1, 2 and 4 of Part I, Schedule 4 Paragraphs 1 to 7 of Part V, Schedule 4 Paragraph 1 of Part VII, Schedule 4 This item is disputed. This sum needs to be better understood in the context of the charge for Mechanical / Electrical Repair (see Common Parts schedule).	This represents a reactive provision to cover any mechanical and electrical repairs that may arise over the course of the year for the flats contributing to this schedule. Funds not spent are credited at reconciliation stage.	
Mechanical & Electrical Air Conditioning	£235.00	Paragraphs 1, 2 and 4 of Part I, Schedule 4 Paragraphs 1 to 7 of Part V, Schedule 4 Paragraph 1 of Part VII, Schedule 4 This item is disputed. This sum needs to be better understood in the context of the charge for Mechanical / Electrical Repair (see Common Parts schedule).	This is the charge associated with the communal air comfort system.	
Mechanical & Electrical Electrical Wiring/ Distribution	£1,135.00	Paragraphs 1, 2 and 4 of Part I, Schedule 4 Paragraphs 1 to 7 of Part V, Schedule 4 Paragraph 1 of Part VII, Schedule 4 This item is disputed. This sum needs to be better understood in the context of the charge	This is for the electrical wiring and distribution charges associated with the boiler and gas room	

		for Mechanical / Electrical Repair (see Common Parts schedule).		
Mechanical & Electrical Heating System	£2,160.00	Paragraphs 1, 2 and 4 of Part I, Schedule 4 Paragraphs 1 to 7 of Part V, Schedule 4 Paragraph 1 of Part VII, Schedule 4 This item is disputed. This sum needs to be better understood in the context of the charge for Mechanical / Electrical Repair (see Common Parts schedule).	These are the charges associated with the heating system and applicable to the flats that benefit from this system and contribute towards it.	
Mechanical & Electrical Hot and Cold Water System	£3,240.00	Paragraphs 1, 2 and 4 of Part I, Schedule 4 Paragraphs 1 to 7 of Part V, Schedule 4 Paragraph 1 of Part VII, Schedule 4 This item is disputed. This sum needs to be better understood in the context of the charge for Mechanical / Electrical Repair (see Common Parts schedule).	These are the charges attributable to this schedule for the communal hot and cold-water system.	

<u>SCHEDULE</u>

DISPUTED COMMON PARTS SERVICE CHARGES S/C YEAR ENDED 31 March 2026

Case Reference:	LON/00BK/LSC/2025/1185
Premises:	Flat 2, 110 Eaton Square, London SW1W 9AA

ITEM	COST	TENANT'S COMMENTS	LANDLORD'S COMMENTS	LEAVE BLANK (FOR THE TRIBUNAL)
Cleaning, Security Routine Cleaning	£8,210.00	Paragraphs 1, 2 and 4 of Part I, Schedule 4 Paragraphs 2 and 3 of Part V, Schedule 4 Paragraph 1 of Part VII, Schedule 4 This item is disputed. The budgeted sum represents a 8.03% increase on the sum budgeted in the previous year and a 17.29% increase on the sum budgeted for YE 31 March 2024. This sum needs to be better understood in the context of Routine Cleaning in the "Block" schedule.	The cleaning services went through a procurement exercise which was fully consulted on. The cleaning has also increased to 3 hours per day and a deep carpet clean per year.	
Mechanical & Electrical Mechanical / Electrical Repair	£31,000.00	Paragraphs 1, 2 and 4 of Part I, Schedule 4 Paragraphs 1 to 7 of Part V, Schedule 4 Paragraph 1 of Part VII, Schedule 4 This item is disputed. For the past two years, the sum budgeted has been £5,000. This represents a 520% increase. This sum needs to be better understood in the context of Mechanical & Electrical, in the "Boilers/Gas" schedule.	These costs included the standard reactive provision, but also included funds for the fire alarm replacement, which was needed due to the age of the existing system deeming it to be redundant as replacement parts were no longer available. In order to ensure that a compliant and maintainable system could continue to be provided, a proactive replacement was therefore included within the budget. The mechanical and electrical budget is structured to allow for both planned works and a reactive contingency, and this provision is clearly shown across the relevant schedules.	

			This was explained in the budget that was issued, and a budget meeting was offered at the time. The relevant Budget Commentary stated: "**Fire alarm panel & system replacement:** "Following a site survey whereby the condition of the fire alarm systems were assessed, it was determined that a replacement project is required due to the assets reaching the end of their life cycle. These works were quoted from our service provider and include a full replacement of the system and its electrical components. Further details on these works can be provided on request."	
Building Fabric Building Fabric Repair	£1,500.00	Paragraphs 1, 2 and 4 of Part I, Schedule 4 Paragraph 7 of Part V, Schedule 4 Paragraph 1 of Part VII, Schedule 4 This item is disputed. This sum needs to be better understood in the context of Ext Decorate & Repair, in the "Block" schedule.	This is a reactive provision for fabric repairs within the common parts. The external redecoration works are a separate project and are budgeted for within the external works schedule. Funds included in the budget for reactive costs which are not used are credited when the accounts are reconciled.	
Lifts Lift Maintenance	£5,320.00	Paragraphs 1, 2 and 4 of Part I, Schedule 4 Paragraph 1 of Part V, Schedule 4 This item is disputed. The budgeted sum represents a 33% increase on the sum budgeted in the previous year and a 77.33% increase on the sum budgeted for YE 31 March 2024. This sum needs to be better understood in the context of the Mechanical/Electrical Repairs (see above).	This is the contract provision for the lift maintenance contract and also includes a reactive allowance for call-outs, to ensure sufficient funds are available if required. Any budgeted funds not spent are credited back at the reconciliation stage.	
Administrative Management Fee	£1,105.00	Paragraphs 1, 2 and 4 of Part I, Schedule 4 Paragraph 9 of Part VI, Schedule 4	The fees are apportioned across the schedules. The management fee is split between the various schedules on Eaton Square as permitted under the terms of the lease.	

		This item is disputed. This sum needs to be better understood in the context of the Property Manager Fee and the Grosvenor Management Fee (see Block Schedule).		