FIRST - TIER TRIBUNAL
PROPERTY CHAMBER
(RESIDENTIAL PROPERTY)

Case Reference	:	**MAN/00FA/LCP/2025/0001**
Property	:	**295 Anlaby Road Hull HU3 2SB**
Applicant	:	**Long Term Reversions (Torquay) Limited**
Respondent	:	**295 Anlaby Road Limited**
Type of Application	:	**Application for a determination of costs payable, pursuant to section 88(4) of the Commonhold and Leasehold Reform Act 2002**
Tribunal Members	:	**Judge L. Brown** **Mr J Platt**
Date of Decision	:	**15 July 2026**

DECISION

The charges claimed as set out in paragraphs 7, 8 and 9 below are reasonably incurred and reasonable in amount and are payable by the Respondent

Procedure

The Tribunal has determined the substantive application following a consideration of the written representations and supporting documentary evidence provided by the parties, but without holding a hearing. Rule 31 of the Tribunal's procedural rules permits a case to be dealt with in this manner provided that the parties give their consent (or do not object when a paper determination is proposed). Having reviewed the parties' documents and submissions, we were satisfied that this matter is indeed suitable to be determined without a hearing; the issues to be decided have been clearly identified in the parties' statements of case. The papers set out the issues sufficiently clearly to enable conclusions to be reached properly in respect of the issues to be determined, including any incidental issues of fact.

REASONS

Background

1. The Application dated 28 January 2025 concerns costs claimed under Chapter I of the Act against the Respondent Right to Manage ("RTM") Company arising from 3 separate RTM claims. The Application relates to the Property, described in the Statement for the Applicant as a converted mid-terrace property comprising four self-contained flats.

2. The Tribunal issued directions on 17 February 2026.

3. Pier Management Limited was the instructed representatives of the Applicant during all three RTM claims relevant to these proceedings.

The Applicant's case

4. The Applicant set out the history leading to the Application:

"*THE FIRST RTM CLAIM*

The Respondent served their first Claim Notice pursuant to the 2002 Act on 23 October 2023. This claim was deemed invalid, following an investigation into the participating tenants right to acquire management of the Property, for the following reasons:

a. The claim notice given by the company did not specify a date, not earlier than one month after the relevant date, by which each person who was given the notice under section 79(6) may respond to it by giving a counter notice under section 84.
b. The claim notice given by the company did not contain, in relation to each such person who is a qualifying tenant and a member of the company, such particulars of his lease as are sufficient to identify it as required by section 80(4) of the Act.
c. The claim notice given by the company does not specify a date at least three months after the specified date under subsection (6), on which the RTM company intends to acquire the right to manage the premises.
d. The claim notice given by the company does not comply with the requirements of the Act, as this does not contain the form of claim notice as may be prescribed by the regulation.

A negative Counter Notice was served by the Applicant on the Respondent on 31
October 2023 stating the above grounds. The Respondent proceeded to serve a fresh Claim Notice.

THE SECOND RTM CLAIM

The Respondent served their second Claim Notice pursuant to the 2002 Act on 5 December 2023. This claim was deemed invalid, following an investigation *into the participating tenants right to acquire management of the Property, for the following reasons:*

a. The claim notice given by the company does not specify a date at least three months after the specified date under subsection (6), on which the RTM company intends to acquire the right to manage the premises.

A negative counter notice was served by the Applicant on the Respondent on 9 January 2024 stating the above ground. The Respondent proceeded to serve a fresh Claim Notice.

THE THIRD RTM CLAIM
The Respondent served their third Claim Notice pursuant to the 2002 Act on 9 February 2024. This claim was, following an investigation into the participating tenants right to acquire management of the Property, valid and, therefore, an accepted Counter Notice was served on the Respondent on 11 March 2024.

Thereafter, the Applicant proceeded to deal with handover of the management of the Property to the Respondent, including instructing Pier Management Limited to serve Contractor Notices on the six contractors for the Property and liaise with the Property Managers to deal with handover of management."

5. The Applicant claimed costs under section 88 of the Act by way of three invoices, one for each RTM claim. It set out that work had been undertaken by "*Gemma Hawthorne is a Grade A solicitor and Head of Legal at Pier Management Limited and the in-house solicitor for the Applicant, assisted by William Lucas and Jasmyn Smith, both paralegals, during all three RTM claims made by the Respondent.*"

6. A breakdown of costs statement was presented, showing time engaged by each person for their work. The hourly charging rates net of VAT applied were £395.00 for Ms Hawthorne and £135.00 for the Paralegals.

7. For the First RTM claim the fees claimed were £250.00 plus VAT (£50.00) and incurred third-party charges of £30.35.

8. For the Second RTM claim the fees claimed were £250.00 plus VAT (£50.00) and incurred third-party charges of £23.45.

9. For the Third RTM claim the fees claimed were £900.00 plus VAT (£180) and incurred third-party charges of £6.35.

10. The Applicant dealt with concerns expressed by the Respondent about a commercial connection between the Applicant and Pier Management Limited, stating they are "*…wholly separate companies. Long Term reversions (Torquay) Limited with company registration number 03809388 and Pier Management Limited ("Pier") with company registration number 04695283 are within the same group of companies but Pier is not a wholly owned subsidiary as alleged. Pier operates as a management company on behalf of the Applicant and is not a relevant landlord to accept service of any notices in*

accordance with the 2002 Act. It is admitted that Pier shares the same registered office as the Applicant. Pier's operations include a variety of functions from credit control, asset management, property management and in this particular case, a legal team. The costs incurred in connection with all three claim notices were incurred by Pier's legal team, employed by the Applicant as if it instructed an independent solicitor to act for it rendering the invoices as an independent solicitor, assessing the reasonable and fair amount of any discretionary item, having regard to all the circumstances of the case…."

11. The Applicant asserted "*…that the errors in the first and second claim notice were administrative errors. Pier's legal team considered each claim notice pursuant to the requirements of the 2002 Act and noted that the errors in the first and second claim notice were not inaccuracies in the particulars but fatal errors rendering each claim notice invalid…*"

12. Regarding the Respondent referring to a sinking fund "*The Applicant and Pier's legal team have no knowledge of or access to any purported sinking fund… If the respondent has concerns as to Inspired Property Management's management of any purported funds these proceedings are not the appropriate forum for these concerns to be raised*". (The Tribunal understood that Inspired Property management was a previous managing agent of the Property.)

The Respondent's case

13. Regarding the First RTM claim, while it accepted there were errors in the Notice, the Respondent represented that in view of the content of Paragraph 9 of the claim Notice, it was not invalid - "*This notice is not invalidated by any inaccuracy in any of the particulars required by section80(2) to (7) of the 2002 Act or Regulations 5 of the Rights to Manage (Prescribed Particulars and Forms) (England) Regulations 2010 (hereinafter called The 2010 Act*)."

14. It acknowledged an "*administrative error*" in the Notice for the Second RTM claim and represented "*No investigation was required it was a simple error of the date and corrected promptly. A negative counter notice was served by the Applicant on the Respondent on 9 January 2024 stating the above ground. The Respondent proceeded to serve a fresh Claim Notice. The Respondent contacted Pier Management and following a telephone conversation the Applicant would not accept the letter amending the intending date, therefore issued another Notice*"

15. The Claim Notice for the Third RTM claim was valid.

16. It asserted that Pier Management Limited and the Applicant were so closely connected that they were "*…per se The Freeholder.*" Further, that the work of Pier Management Limited was merely "*…dealt with in house as part of the business of property owners.*"

17. It asserted that although it issued fresh Claim Notices the Applicant did not accept former Notices were invalid and *"…a claim notice can only be*

invalidated when the premises are ones to which Chapter 1 of the 2002 Act does not apply.

The premises are qualifying premises by S72 of the 2002 Act, this has never been disputed".

18. The Respondent requested that "*...should the Tribunal uphold any part of the claim that the amount be deducted from the monies for the Sinking funds still held by the Applicant, although the money is not held in the separate bank account for the sinking funds as is required.*"

The Law

19. In accordance with the law in effect at the dates of the RTM claims, the RTM company is entitled to acquire the right to manage if:

- the premises in question satisfy the requirements of section 72 of the Act;
- the RTM company is properly constituted (in accordance with section 73);
- it has given, before making a claim to acquire the right to manage, all necessary notices (under section 78) inviting participation in the process;

  and
- it has then given a valid claim notice to each person to whom such a notice is required to be given by section 79.

20. A person who is given a claim notice by an RTM company is entitled to give a counter-notice under section 84 of the Act. The counter-notice may allege that, by reason of a failure to satisfy any of the above conditions, the RTM company is not entitled to acquire the right to manage the premises in question.

21. A claim notice given under the Act cannot be successfully challenged for any other reason than for a failure to satisfy one or more of the above conditions.

22. Service of a counter-notice entitles the RTM company to apply to the Tribunal (under section 84(3) of the Act) for a determination that it was on the relevant date entitled to acquire the right to manage the premises.

23. Section 88 of the Act stated:

"(1) A RTM company is liable for reasonable costs incurred by a person who is—
(a) landlord under a lease of the whole or any part of any premises,
(b) party to such a lease otherwise than as landlord or tenant, or
(c) a manager appointed under Part 2 of the 1987 Act to act in relation to the premises, or any premises containing or contained in the premises,
in consequence of a claim notice given by the company in relation to the premises.

(2) Any costs incurred by such a person in respect of professional services rendered to him by another are to be regarded as reasonable only if and to the extent that costs in respect of such services might reasonably be expected to have been incurred by him if the circumstances had been such that he was personally liable for all such costs.

(3) A RTM company is liable for any costs which such a person incurs as party to any proceedings under this Chapter before a leasehold valuation tribunal only if the tribunal dismisses an application by the company for a determination that it is entitled to acquire the right to manage the premises.

(4) Any question arising in relation to the amount of any costs payable by a RTM company shall, in default of agreement, be determined by a leasehold valuation tribunal."

The Tribunal's Reasons and Conclusion

24. The issue for the Tribunal concerned only the costs incurred by the Respondent in responding to the three Claim Notices. The Tribunal's jurisdiction arises from section 88(4) of the Act. Liability for costs on the part of the Respondent arises from section 88(1) and the amount which may be approved, which has to be reasonable, is in accordance with section 88(2).

25. There had been no application to the Tribunal by the Respondent to seek a determination on the validity of the Claim Notices for the first and second RTM claims (as permitted by section 84). On each occasion when it received a counter-notice from the Respondent challenging the validity of the Claim Notice it simply re-served the Claim Notice, until the third version was accepted and the RTM proceeded. We found that it was not in dispute there were differences between each Claim Notice (as set out in paragraph 4). While the Respondent classed the need for changes as due to administrative errors, none of the Respondent's negative counter-notices were brought to a Tribunal to be challenged.

26. The Tribunal found that the note referred to by the Respondent proposed as a saving provision for any error in the Claim Notice (see paragraph 13) was not in fact relied upon by the Respondent during the RTM process – it issued an amended fresh Claim Notice after each challenge.

27. The Tribunal found that the Respondent's representation about a commercial connection between the Applicant and Pier Management Limited, such that there was no separation between them to justify a costs charge for the latter's work, had been clearly contradicted by the information provided from the Applicant. The Tribunal found that they were separate commercial entities and Pier provided advice and assistance as identified in its respective invoices, as an independent provider of services to the Applicant. We found the Respondent's argument not to present any barrier to recoverability of costs under section 88(1).

28. The Tribunal found no persuasive supporting evidence that any costs payable should come from a sinking fund referrable to the Property. The liability rests with the Respondent under section 88(2).

29. As to the amount of costs claimed the Tribunal found that the charging rates allocated to those engaged in the work to be reasonable. We also understood that they were broadly in line with approved local recovery rates for proceedings in the County Court, therefore a helpful comparison to which the Tribunal could refer.

30. By reference to the breakdown of time involved – all of which costed exceeded the actual final charge invoiced by Pier to the Respondent - the Tribunal found there was no persuasive evidence that the work was unnecessary or excessive. By reference to the time analysis and invoice descriptions we found that the work was directly related only to responding to each Claim Notice. We found that payments to third parties (disbursements) to be referable and modest in amount.

31. In consequence of our findings the Tribunal found that the charges claimed as set out in paragraphs 7, 8 and 9 were reasonably incurred and reasonable in amount and were payable by the Respondent in accordance with section 88(1).

Tribunal Judge L Brown
15 July 2026

<u>Rights of appeal</u>

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).