FIRST-TIER TRIBUNAL
PROPERTY CHAMBER
(RESIDENTIAL PROPERTY)

Case reference	:	**CAM/33UB/LSC/2025/0692**
Property	:	**Various flats in The Shirehall, Swaffham PE37 7TU**
Applicant	:	**Mr Daniel Bradley and 14 others listed herein**
Representative	:	**Mr Daniel Bradley**
Respondents	:	**Mrs Gillian Mary Green**
Representative	:	**Mr Green**
Type of application	:	**For the determination of the liability to pay service charges under section 27A of the Landlord and Tenant Act 1985**
Tribunal members	:	**Tribunal Judge Stephen Evans** **Mr Roland Thomas MRICS**
Venue/Hearing date	:	**Remote video, 20 April and 20 May 2026**
Date of decision	:	**17 July 2026**

DECISION

DECISION

- **The Tribunal makes the various determinations on service charge liability and reasonableness as set out herein;**

- **No order on the S.20C/para 5A application;**

- **The Respondents shall reimburse the Applicants the application fee and hearing fee within 28 days of the date of this decision.**

REASONS

Background

1. The Applicants, by their application filed on 7 July 2025, seek a determination under section 27A of the Landlord and Tenant Act 1985 as to whether service charges are payable, reasonably incurred and reasonable in amount, for the calendar 3 years from 1 January 2022 to 31 December 2024.

2. The Applicants also seek an order for the limitation of the Respondent's costs in the proceedings under section 20C of the Landlord and Tenant Act 1985 and an order to reduce or extinguish the tenant's liability to pay an administration charge in respect of litigation costs, under paragraph 5A of Schedule 11 to the Commonhold and Leasehold Reform Act 2002.

3. The Applicants are 15 leaseholders of flats in a converted Graded listed building containing 17 flats.

4. The Applicants and their respective flats are:

(1) Mr Daniel Bradley	Flat 6;
(2) Mr Lee	Flat 1;
(3) Miss Rebecca Soar	Flat 2;
(4) Miss Sarah Bland	Flat 3;
(5) Mr Michael Roberts	Flat 4;
(6) Mrs Suzanne Chappell	Flat 5;
(7) Mr Thomas Mullen	Flat 7;
(8) Mrs Jan Lee	Flat 8;
(9) Mr Ian Clark	Flat 9;
(10) Mrs Daniel McMahon	Flat 10;
(11) Mrs Adrienne Taylor	Flat 12;
(12) Mr. John Andrews	Flat 13;
(13) Mr Richard player	Flat 15;
(14) Mr Richard player	Flat 16;
(15) Mr Graham List	Flat 17.

5. The Respondents are the Applicants' Landlords.

Relevant Law

6. The key statutory provisions are contained in Annex A.

The Lease

7. Each flat lease is assumed to be identical.

8. By clause 1(b) the lessee covenants to pay additional rent by way of service charge in accordance with Schedule 6.

9. Clause 3 provides that the lessee's covenants are contained in Schedules 3 and 4.

10. Clause 5 provides that the lessor covenants to give quiet enjoyment etc, and also covenants in the terms contained in Schedule 5.

11. By Schedule 4 the lessee covenants at (f) to pay 1/17th of the costs and expenses of items and matters specified in the 5th Schedule for which the lessor is responsible in accordance with its covenants in clause 5, to be calculated in accordance with Schedule 6.

12. The lessors' covenants in Schedule 5 include decoration, insuring, repair, the payment of rates and taxes etc, water rates on the development, and the payment of fees/disbursements to any managing agent.

13. Schedule 6 provides the service charge machinery, and states that "expenditure on services" means the expenditure of the lessor in complying with his obligations in Schedule 5.

14. The Applicant is required to pay a service charge instalment being half of the service charge specified on the last service charge statement received.

15. The "service charge statement" is defined in Schedule 6, paragraph A(iv). It means an itemised statement of:

    (a) expenditure on services for year… ending on the 31st day of December in each year

    (b) the amount of the service charge due in respect thereof…and

    (c) sums to be credited against that service charge being the interim service charge instalments paid by the lessee for that year or period any service charge excess from the previous year or period and any appropriate part of the proceeds of any claim under an insurance policy covering damage to the development accompanied by a certificate by the accountant preparing it that the statement is a true and correct summary of expenditure on services and set out in a way which shows how it is or will be reflected in the service charge and is sufficiently supported by accounts receipts and other documents that have been produced to him.

16. There then follows at paragraph B:

"The lessor shall keep a detailed account of the expenditure on services and shall procure that a service charge statement is prepared for every such year or period by an independent member of the Institute of Chartered Accountants in England and Wales to whom the lessor shall furnish all accounts and vouchers and forward all facilities necessary for the purpose.

17. Paragraph C provides:

"The lessor shall as soon as he receives such service charge statement serve it on the tenant by sending him a copy thereof".

18. Paragraph D provides for the interim service charge instalments. Then Paragraph E provides:

"Forthwith upon service on him of a service charge statement the lessee shall pay to the lessor any service charge deficit shown thereon".

19. There is also provision for underpayments and overpayments of service charge, which are not relevant for these purposes.

20. The bundle also contains a head lease, but neither party has considered it necessary to refer the Tribunal to its terms.

The hearings

21. The hearing on 20 April 2026 did not conclude. The matter was adjourned part-heard to 20 May 2026.

22. The Applicants sensibly made some concessions before the very first hearing and also between hearings. The following lines in the Scott Schedule were accordingly marked withdrawn: 9, 13, 17, 21, 41, 52, 54, 55, 56, 57, 58, 60, 62.

23. The following lines were sensibly conceded by the Respondents:

(1) Line 19 (misc. legal expenses)	£88.36
(2) Line 35 (legal fees)	£1807.20
(3) Line 36 (misc. legal fees)	£1008
(4) Line 44 (legal fees)	£351.40.

24. Mr Bradley very helpfully provided a revised Scott Schedule before the second hearing, showing the above concessions, and what was still in dispute following the first hearing.

25. During the second hearing, the Respondent also conceded line 24 (£8700) being a deposit paid to Dane Property Services Ltd for window and door redecoration, and also line 61 (fire safety- £2312.52).

26. The Respondents further agreed that a figure of £1000 for reserves [318] taken from leaseholders in 2021 was not payable, and should be returned to the leaseholders who paid their proportion of it.

27. Given that some leaseholders have paid and others have not, and there has been a change in identity of various leaseholders, the parties simply invited the Tribunal to record their agreement that the above sums are not payable, leaving the credits to be worked out between all stakeholders.

28. Finally, the parties agreed credits for all the Applicants other than Mr Player, similar to those achieved by Mr Player in his Tribunal application in 2022 (case reference CAM/33UB/LIS/2021/0032), and asked us to record the same, which we do as follows:

Vaages Survey – credit of £146.58 per dwelling
AUK works – credit of £4.12 per dwelling
RA Latham – credit of £22.06 per dwelling.

Discussion and Determination

29. References in square brackets are to pages in the hearing bundle.

30. The Tribunal was asked to determine the remaining items under challenge on the Scott Schedule, plus an overarching issue of lease payability. Taking the Scott Schedule items first:

Fire Alarm Testing (£1258)

31. These are contained in lines 1, 2, 4, 10, 12, 15, 18, 22, 26, 28, 30, 33-34, 39-40, 43, 46, and 53 of the Scott Schedule, which (when combined) give the above sum.

32. The Applicants contended in their Scott Schedule:

The managing agent (LRPM) failed to ensure that weekly fire alarm testing was performed to the relevant industry standard (BS 5839-1:2017), and testing was being conducted without an appropriate and up-to-date Fire Risk Assessment (FRA) in place to inform the process. LRPM failed to appoint, train, or supervise a competent person, and failed to provide adequate records or oversight. Testing was inconsistent—residents reported that it did not always occur, key areas were omitted, manual call points were not used or rotated, no audibility checks were performed, and emergency lighting was neglected. Logbook records were incomplete and unreliable, with no evidence that entries were written contemporaneously. The contractor's appointment was neither independent, market tested, nor properly documented. Invoices *were inconsistent, and it was only through resident intervention that these failings were exposed. As a result, the charges are not "reasonably incurred" under section 19(1) of the Landlord and Tenant Act 1985. These failures also risked invalidating insurance, breached fire safety duties under the Regulatory Reform (Fire Safety) Order 2005, and left residents exposed to harm. . The charges should therefore be struck out in full.*

33. Mr Bradley relied on his witness statement at paras 24 to 27, to assert that the testing was sporadic, and that Mr Weedon conducted tests by using the panel key rather than testing rotating call points, inconsistent with the approach described in the 2011 fire risk assessment; he approached Mr Weedon and raised this, and the contractor became defensive.

34. He added at the hearing that he took over the fire alarm testing when Mr Weedon was disinstructed, until LRPM appointed another contractor, who are now providing a good service. He pointed to minutes of a meeting of 27 November 2023 [306] which evidenced residents had agreed to take over weekly fire alarm testing to help mitigate costs.

35. Mr Bradley's evidence is corroborated by Mr French's at paras 7-16 [231-232].

36. Mr Bradley said the figure (£1258) should be reduced, but did not venture a reduction.

37. Mr Green did not ask any questions of Mr Bradley.

38. The Respondent's Scott Schedule representations are:

LRPM Ltd ("LRPM") received an email from Chris Weedon, with his Public Liability insurance, explaining he had been instructed for this work by Stewart Green, a beneficiary of the trust under which the Property is held. It is the Respondent's view that Chris Weedon's invoices were reasonably incurred and reasonable in amount. Mr Baker, Fire Safety Inspector, at Norfolk County Council advised that 'legally this testing does not need to be documented' (see the email dated 28/02/2025...). In any event, LRPM ceased instructing him once they were made aware that the leaseholders were unhappy with the service being provided.

39. Mr Green contended at the hearing that Mr Weedon did turn up and did test, but could not say whether he tested to a particular standard. He relied on the statement of Nina Colman at paragraphs 18 to 23, but we note that her evidence concerns fire risk assessments, not alarm testing.

40. Mr Green accepted that the Respondent's schedule of invoices for 2023 [324] of the bundle revealed that Mr Weedon's invoices for 2023 totalled £624. The

invoice list for 2024 did not contain any fire alarm testing [606]. However, he contended that up to 2023 the amount charged was very reasonable.

41. In the Tribunal's determination, the testing did take place, but we accept the Applicants' evidence that it was not as comprehensive as it should have been; and there was a period when the residents took it over themselves. Doing the best we can, we consider there should be a modest deduction of 10% to reflect this.

42. Testing was reasonably incurred, therefore, but a reasonable amount is in our view the sum of **£1132.50.**

Fire safety (£300)

43. Line 5 in the Scott Schedule refers, and concerns a Health and Safety inspection fee.

44. The Applicants by their Scott Schedule contend:

The Fire Safety Risk Assessment contained multiple inaccuracies that were brought to the contractor's attention but were not corrected. As a result, the assessment was not fit for purpose and had to be reperformed at a later date. Cost not reasonable.

45. Mr Bradley contended there was no invoice to support this item.

46. The Respondents in the Scott Schedule aver:

It is unclear to what this entry in the Scott Schedule relates and as such, the Respondent cannot properly respond.

47. In oral representations none of the Respondents' witnesses could initially remember who the contractor was, but were convinced that a report was produced and it was in something called "the tribunal folder". The Respondents confirmed that this was not the LRPM report dated 4 February 2022 in the bundle [635] but was a specialist health and safety risk assessor's report undertaken around the time that someone called Richard Lloyd was the property manager.

48. Mr Bradley asked questions of Letitia Randall about when Richard Lloyd joined, but she could not remember, and said she might be mistaken that it was roundabout the time that Richard was the property manager. However, she could identify the contractor as one Martin Englefield, said to be a very good contractor, who was paid to do all of the managing agents' sites; and that his fee was agreed in accordance with the time to be taken and the size of each block.

The Respondents accepted that the e-mail chain with Martin Englefield about this was not in the bundle.

49. In the Tribunal's determination, there is insufficient evidence from the Respondent to find this cost was reasonably incurred or reasonable in amount. There is no report, no invoice and insufficient explanation from the Respondents. We therefore disallow the sum in full.

Cleaning (£936)

50. The Applicants challenge 14 invoices at lines 3, 8, 11, 14, 16, 20, 25, 27, 32, 37, 42, 47 and 48, totalling the above sum.

51. The Applicants contend in the Scott Schedule:

The cleaning charges are not "reasonably incurred" under s.19(1) LTA 1985, as no cleaning contract was in place, cleaners were not regularly seen by residents and, when observed, attended only briefly; the second core was not cleaned, and there is no evidence that the service was performed to an acceptable or reasonable standard. No inspection records, schedules or performance checks were provided by the managing agent. Charges not reasonable and should be reduced.

52. At the hearing Mr Bradley referred us to an e-mail of 30 November 2023 in which LRPM had informed him that they had been in contact with the cleaners, who terminated their work back in September "unbeknown to us"; and that they had contacted some new cleaners. He also referred us to his witness statement concerning his own observations, more particularly that he did not routinely see cleaners attend (although he travelled for work, so could not say they never attended); but the second core in the building was frequently dusty/unclean when he visited, and he observed other residents cleaning communal areas themselves, including Ms Soar cleaning sewage from communal areas following a drainage overflow [219].

53. Mr Bradley took us to the corroborating witness statements of Miss Bland [249], Mr. Roberts [250], Ms Soar [242] and a photograph [1010] (although that only shows cleaning materials left in an electrical cupboard). The statements, however, support a case for sporadic attendance by contract cleaners, and residents doing the task themselves.

54. Mr Bradley indicated that the "price was ok" (i.e. the cost would have been reasonable in amount) if the cleaner had done their job properly.

55. Mr Green had no questions to ask of the Applicants.

56. The Respondents contend in the Scott Schedule:

This cost was for an initial clean of £60 plus VAT. Further cleans were for £40 plus VAT. The Respondent considers that a fee of £40 plus VAT for cleaning is reasonable. The Respondent further understands that it is standard in the industry to impose a 2-hour charge to include the cleaner travelling to the property and that cleaners generally charge between £16 to £20 per hour. The access to Flats 15 and 16 was not included in the specification to Perrymans because the Respondent's Managing Agents did not have access to the same ... The Shirehall Cleaning Quotation Request which was prepared by the Lead Applicant and disclosed by the Applicants in "7.2 Cleaning", indicates an annual cost of between £1,000 and £1,500 which equates to £83.33 to £125.00 a month. This is significantly more than Perryman's invoices and indicates a more comprehensive specification: a cheaper cleaning provision with a less comprehensive scope does not mean that the charges were unreasonably incurred nor unreasonable in amount.

57. At the hearing, Mr. Green first contended that the Respondents had often been denied access for cleaning, but could not point to any specific evidence in the bundle of that, at least Scott Schedule had been filled in by solicitors. But his fall back position was that the costing for very reasonable for the work actually carried out, and there were few email complaints. He accepted though that the first cleaner's contract had been terminated because they had become more and more unreliable and unresponsive.

58. The Tribunal prefers the Applicants' evidence. Indeed, there was no real evidence from the Respondents or their agents about the standard of cleaning, or attendance by them, to weigh against the 4 Applicants' statements. There was, moreover, an acceptance the first cleaner was unreliable and unresponsive.

59. The Tribunal is not satisfied, as a result, that the cleaning was reasonable in standard. We disallow the sum in full.

<u>Insurance (£1751.36, £2710.34)</u>

60. The Applicants contend in the Scott Schedule at lines 23 and 45 that *"the building was under-insured. Commissions (if any) have not been declared by the Managing Agent. Costs not reasonable and should be reduced."*

61. Mr Bradley took us to the certificate which reveals the insurer as Zurich [789], and the period of cover 9 September 2022 to 8 September 2023. It also shows a buildings value of £1.905M.

62. However, he said, a reinstatement valuation soon after, dated 29 October 2023 [1042] stated the Property should be insured for a value of £5M.

63. The Respondents contend in the Scott Schedule for lines 23 and 45:

The Respondent believes that the insurance policy was correct for the information the Respondent's Managing Agents had at the time and understands that it was only when a new RCA was instructed and the report received, were the Respondent's Managing Agents made aware the building was under-insured. Had the Property been insured for its full re-instatement value, the premium would have likely been more expensive than that which was charged by the Insurer. It would be unreasonable to further reduce the premium charged. The Respondent also believes that the contract between the Respondent and their Managing Agents states that the Managing Agents take commission on insurance.

64. In oral representations, the Respondent contended that no reinstatement valuation was due until 2023, when a full RICS report in relation to this grade 2 listed building was undertaken.

65. The Applicants had no questions for the Respondents.

66. The Respondent by Ms Randell contended the Applicants had suffered no financial loss from underinsurance, and no insurance claims had been made as far as she was aware.

67. In the Tribunal's determination, the Respondents' representations are to be preferred to the Applicants. Insurance was reasonably incurred. As for amount, the undervaluation did not result in an unreasonable, excessive premium.

<u>Insurance (£5364.01)</u>

68. This is line 64 of the Scott Schedule, and relates to an invoice dated 16 July 2025 for insurance premiums with NIG.

69. The Applicants contend that *"The remuneration or commission charged for arranging insurance (c.28%) regardless of how the amount was split between the broker and the managing agent. The commission should be reduced to a reasonable level."*

70. However, Mr Bradley could not take the Tribunal to any evidence in the bundle which tended to support a claim that the commission was excessive, but did take us to a personalised property owners quotation for insurance dated 15 August 2024, provided by Aviva, in a sum of £4496.69.He believed this

quotation was like-for-like, but could not say every piece of data was the same as used by the Respondent's insurers (NIG).

71. In relation to line 64, the Respondents contend in the Scott Schedule:

The Respondent believes that commissions are standard within the insurance industry. The Respondent believes that her Managing Agent received a portion of the Broker's commission (£595.94) for placing the insurance and managing any claims. The Respondent further believes that if the Respondent's Managing Agent did not accept this commission, the broker would have retained the total amount of commission. The Respondent also believes the amount of commission charged is not increased because of the presence of her Managing Agent: the commission is provided to the broker who then decides to split this with the Respondent's Managing Agent.

72. Ms Randell said 28% commission is deemed fair value in the industry, and can be up to 30%. If the commission had not been taken, the broker would have taken all of it. She said that indexation was applied in every year.

73. The Applicants had no questions for the Respondents.

74. In the Tribunal's determination, the Applicants' quotation was not like-for like, and we are not satisfied that the cost was unreasonable. The question is not whether the expenditure for any particular service charge item was necessarily the cheapest available, but whether the charge that was made was reasonably incurred: see the Lands Chamber in *Forcelux v Sweetman* [2001] 2 EGLR 173 at para 39.

<u>Day to Day costs (£594)</u>

75. This is line 29 on the Scott Schedule, relating to an invoice dated 22 December 2022 [614].

76. The Applicants contend in the Scott Schedule: *"These charges should have been included within the scope of the Section 20 major works consultation. There is no evidence that the work was actually performed or to a reasonable standard. Costs not currently reasonable."*

77. The Applicants contended there was no issue about whether a cost was reasonably incurred. Mr Bradley took us to Ms Bland's evidence [248] where she states she had an issue with a leak into her flat (#3) from the roof, which has never been resolved since September 2020: see para 1.7. Photographs from September 2020 were shown to us of the roof space in September 2020 and September/October 2023 with visible wetness on roof timbers and a bucket to

catch drips [1393-1394, 1399]. Mr Bradley said it was unclear what works were done, nor is it clear from the invoice [614] whether works relate to flat 3, or somewhere else.

78. The Respondents reply in the Scott Schedule:

The Respondent believes that these works were roofing and gutter works and unrelated to the previous major works on Line 24. It is the Respondent's view that the cost was both reasonably incurred and reasonable in amount.

79. Mr Green did not know the location of these repairs, whilst noting that the whole roof was last remedied 40 years ago. Ms Randell could not assist. Ms Colman mentioned the invoice says “see photos”, but none of the photographs shown to us date from December 2022.

80. In the Tribunal’s determination the cost was reasonably incurred and reasonable in amount. Without evidence as to the location of the repair, we are unable to be satisfied that the repair was to remedy any leakage into flat 3 (and so was not undertaken to a reasonable standard, because the leak allegedly continued). Nor can we find, as the Applicants request, that the charges should have been part of any s.20 consultation.

<u>Day to Day costs (£720)</u>

81. This is line 31 on the Scott Schedule and relates to a damp survey inspection fee, the invoice dated 17 January y0223 revealing this was for an inspection of flats 3,5,8,10 and 17.

82. The Applicants contend in their Scott Schedule:

The expenditure on these surveys was wasted, as the reports were not used to inform any works or decisions, contained misleading advice, and were later discredited by an expert historic buildings report commissioned in 2024. The charges therefore fail the test of necessity, reasonableness, and value uand [sic] should be disallowed in full.

83. Mr Bradley took us to the detailed report of Mr Campbell ACABE CSTDB of APP Protect Damp Control Specialists following the survey, dated 2 February 2023 [1274-1313]. He contended the Council Listing Building Officer should have been consulted from the start, and a surveyor experienced in listed buildings should have been instructed. Moreover, use of modern damp proofing works are neither effective nor appropriate in the instant case. He relied on an email from the Council to that effect [1265].

84. The Respondents reply in the Scott Schedule:

The Respondent understands that these reports were undertaken by Beadles, a reputable local damp inspection company. The reports were for 5 individual properties, whereas the later reports were for the site as a whole as well as some individual properties.

85. The Respondents emphasised that a full report from a Chartered Surveyor, Ms Smith FRICS of Tose-Smith LLP, was later undertaken on 5 March 2024 [1314]. This was the report referred to in the Scott Schedule (mistakenly attributed to Beadles) and is mentioned in line 57 of the Scott Schedule (the Applicants withdrawing any challenge to line 57).

86. In the Tribunal's determination the cost was reasonably incurred and reaoable in amount. It is not a requirement that a landlord take action on an expert report in order to render it reasonably incurred. Nor, as an initial survey, can the Respondents be criticised for having a damp specialist take a first view, instead of incurring the greater cost of a chartered surveyor.

<u>Gardening</u> (£880).

87. Line 38 of the Scott Schedule refers. The Applicants contend therein:

There is no evidence that any gardening was undertaken, and the gardeners were not seen by residents. The costs also appear excessive given the limited amount of green space at the property and widespread resident efforts to maintain green space. Costs not reasonable.

88. Mr Bradley stated he could not see any invoice, and had taken the item from the Summary of expenditure provided by the Respondents [324], revealing the contractor was "Countrywide Ground" with a date of 24 April 2023. Mr Bradley emphasised the gardener had not been regularly seen.

89. Mr Bradley referred to paragraphs 57 and 58 of his witness statement [222] wherein he states that this charge was questioned at the 2023 residents meeting given the limited green space and the extent of resident self maintenance in most areas. He notes the lack of specification, hours, and evidence of attendance.

90. Mr Roberts' witness statement at paragraph 2 [250] states "we haven't had a gardener for at least three years..."

91. We were also taken to pages [1421-1424], which show photographs from May 2024 indicating that there were large areas of hard standing, and where there

was grass, it was uncut. Residents themselves took up some of the weeding and leaf sweeping, we were told. Mr Bradley had to accept however that he was challenging an invoice dating from 2023, not 2024.

92. Finally Mr Bradley took us to LRPM zone report from 4 February 2022 which noted "minimal foliage to site".

93. The Respondents reply in the Scott Schedule as follows:

This was an annual cost for 2022-2023. The quote/schedule of work was as follows:
15 fortnightly visits from April to October
To carry out grass cutting of main front area (joining a current area we cut for the School)
Strimming of trees and obstacles
Spraying of herbicide weed control around building and hard standing
6 monthly visits End October to end March
Monitoring and light prune of tree canopies
Leaf collecting / sweeping of hard standing
Total - £880.00 per year (inc vat)

The Respondent understands her Managing Agents were provided with PL insurance and that the contractor was already providing services to the neighbouring school. The Respondent considers this cost to be reasonable in amount and reasonably incurred.

94. Mr Green added that the gardener would be there for about an hour at a time, with 15 fortnightly visits in the summer months. When questioned by the Tribunal, Mr. Green said to the best of his knowledge there were entry logs and supervision of the gardener; and if the grass wasn't cut, the agents would have been called. He emphasised this was a reputable company that serviced the school next door.

95. In the Tribunal's determination a cost for gardening was reasonably incurred, given the need for cutting, strimming, pruning and weed control, notwithstanding the geographical areas are not substantial in size. As to the reasonableness of amount, we consider that a sum of £880 including VAT for 21 visits in a year was within a legitimate range. We do not accept the suggestion the gardener was never there; if only visiting for an hour at a time, it is understandable that residents may not have seen the gardener.

<u>Day to day costs (£980)</u>

96. This is line 51 on the Scott Schedule. An invoice appears in the supplementary bundle on LRPM headed notepaper, with the following rubric “damage report carried out to assess remedials required”, bearing a date 11 January 2023.

97. The Applicants entry in the Scott Schedule reads:

The costs relate to an independent damage report commissioned in connection with the Section 20 window works. The report was not used to pursue an insurance claim, despite this being the stated purpose, and the associated cost should properly have been recovered through the insurance process, not passed to leaseholders. As such, this represents unnecessary and wasted expenditure, fails the test of being “reasonably incurred” and should be disallowed in full.

98. Mr Bradley already represented there had been extensive damage following windows works by contractors, who did not have adequate insurance. He took us to photographs taken on 14 November 2022 [1142] which showed gloss paint streaks on the windowsills, paint and debris left all over flat 12's doorstep, broken roof tiles, several windows painted shut over the winter of 2022, and heavy overpainting even on corrugated glass.

99. Mr Bradley also referred to the report commissioned for LRPM by Stephen Scott Fawcett, a consultant, giving an opinion on the standard of workmanship in relation to the redecoration of all external doors and windows [1184-1189]. That report has been read by us in full, but we note at 7.02 the main finding is “the standard of finish it is nothing short of appalling”.

100. Mr Bradley took us to paragraphs 41 to 48 of his witness statement, wherein he mentions that the contractor’s attendance ultimately ceased with works incomplete and defects outstanding; 5 residents were later told that the window contractor did not hold appropriate insurance for the works. As a result, the sums paid for defective windows were effectively wasted, and the cost of the damage report later commissioned to pursue a new an insurance claim was also rendered of limited or no value.

101. The Respondents reply in the Scott Schedule:

The Respondent understands that a meeting was held on Zoom on 29/9/23 with Daniel Bradley, Matt Green and LRPM where this action was discussed and agreed as necessary to quantify the remedial work needed.

102. In oral representations, Mr. Green said the insurance claim had been pursued but it was a very long slow process. Miss Coleman gave corroborative evidence, including the history, and the lack of response to inquiries, despite chasing

multiple times. In the event, it was found that the insurance policy did not cover the claim. She added that they did ask the contractor to rectify, and provided a snagging list. Miss Colman added that they had used this contractor on multiple blocks and they had been excellent before on those other properties. However, in the instant case, at least 1 subcontractor had been used. The contractor, she said, did attend to try and rectify the works, but once LRPM had exhausted all avenues with them, the insurers were pursued. Nonetheless, the insurers found a loophole and refused to pay out, as she put it. The agents went back to the contractor company, who said they would simply fold the company if the matter was pursued.

103. In the Tribunal's determination the cost was reasonably incurred and reasonable in amount. Given the allegations of damage, it was reasonable for the Respondents to obtain an independent report, whether before or during the insurance claim, in order to inform their decision-making. The Applicants do not have an comparable quotations, and we are not satisfied the cost was unreasonable in amount for a report of this kind.

Day to day costs (£1600)

104. This item on the schedule (line 59) relates to roof works by Norwich Roofing, sometime around 5 March 2024. An invoice in the bundle [627] dated 28 April 2024 contains no description of the works.

105. The Applicants in the Scott schedule contend:

The scope of works is not adequately defined, no evidence has been provided that the works were actually performed, and no cost comparison or market testing has been presented. Ongoing unresolved roof issues at the property strongly indicate that the works were either incomplete or ineffective. Cost not reasonable.

106. Mr Bradley took us to a quotation dated 3 January 2024 in the sum of £2300, which states the item description as comprising the following: portable scaffolding tower, replacement of slates in various places on multiple roofs, removal of slates along box valley, lifting of lead and installation of new layboards in box valley, re-lay lead, install more if needed.

107. The Applicants contend that this relates to flats 3 and 2, and that no resident saw anybody doing any works. Reference was made to Miss Bland's witness statement at paragraph 1.7 (previously considered, see above). Mr Bradley said he can be certain the matter did concern flat 3, because he was in contact with the property manager about it. He was not disputing the scope of works, only the cost.

108. Ms Soar of flat 2 confirmed her witness statement, and said there was water penetration after 3 May 2024; that it was ongoing and at the same rate as previously. She later revised this date to October 2023 – she said she had got someone else to do some remediation works, a family member, after which time there were no further leaks. She said she did ask LRPM to quote for the works, but "Rhianne" took a while to respond. She confirmed that she did not ask LRPM to reimburse her for the work which the family member had undertaken.

109. The Respondents reply in the Scott Schedule:

The Respondent believes this was a repair to the roof following the previous inspection by TGA and that this work was initially quoted at £2,300, however when the contractor attended, he deemed there to be less work needed and discounted this to £1,600. The quote can be viewed at Schedule 21 [881].
The cost of the works falls below the threshold to trigger a s20 consultation. Depending on the works undertaken, a certificate or report may not be required and therefore would not be provided by the Contractor. It is the Respondent's view that the works were reasonably incurred and the cost was reasonable.

110. Mr. Green added that LRPM had not been able to obtain photographs, save that there were photographs in the bundle from a company called TGA who had previously made inspection in October 2023 [866-879]. He represented that the Respondents had not been made aware of any continuing complaints about penetration, but accepted that the entire roof requires replacement. He said he was aware that Ms Bland had complained after 3 May 2024, but there was nothing to suggest that Ms Soar of flat 2 had complained. He added they had no doubt that the contractor used was reputable and trusted, having been engaged before by the managing agents on other jobs.

111. In the Tribunal's determination, the tracing and remediation of roof leaks cannot be equated to a science. The Respondents have evidenced a quotation, coupled with the invoice, so we accept that a cost was reasonably incurred. Even assuming water penetration occurred in flats 2 and 3 after the works were done and invoiced, we cannot be satisfied on the evidence before us that works were not to a reasonable standard. As to amount, the Applicants have no alternative quotations, and we accept the Respondents' evidence that the roofer advised them that less work was required than previously thought. The Respondents can hardly be said to have been acting unreasonably to have accepted the lower figure of £1600. We therefore find the relevant cost to have been reasonable in amount.

<u>Management fee (£4324.80)</u>

112. This is the penultimate line 63 of the Scott schedule and concerns the year ending 31 December 2024.

113. The Applicants by the Scott schedule contend:

The management fee appears excessive given the poor service provided and in the absence of a property manager for the second half of 2024 with no movement on Fire Safety Issues and Damp Issues. Complete lack of communication. Cost not reasonable and should be reduced.

114. Mr Bradley took us to page 20 of the supplemental bundle, which is an invoice on LRPM headed notepaper dated 1 January 2024, in the sum of £4324.80, with the title "LRPM management fees 2024" and a description as follows:

"Management service for 01/01/2024-31/12/2024 (LRPM management fee Incl. Out of hour")

115. Mr Bradley contended that this fee should be reduced because of the following issues: there had been no property manager in the second-half of 2024; fire safety and damp issues had not been resolved; and there had been a complete lack of communication from the agents.

116. In this regard, he took us to certain documents, the first of which was the Tose Smith report regarding damp issues [1314]. He also referred to the management agreement between the Respondents and LRPM limited, albeit this is dated 1 May 2020 for a period of only 1 year. He cited to us paragraph 4.1 in the agreement, in terms that "the manager will comply with the terms of the lease/s of the property." He accepted that this did not mean that they had to comply with the repairing obligations themselves. But he did note that the fee for this year was just £2550 plus VAT [1440]. Accordingly, he contended, there had been a significant increase in the fee some 4 years later, without a corresponding increase in service. He also contended that the 24 hours emergency out of hours fee (£12 x 17 flats) ought to be included in the appendix 1 basic fee agreement, and not charged separately.

117. Mr Bradley further contended that, as there had been no cleaning charges for this year according to the itemised list of invoices [327], and given there had been no gardening either, the base figure of £3400 plus VAT was unreasonable in amount. So too was the out of hours emergency additional fee. He was also concerned that the Respondent's schedule appeared to show a figure of £0 against buildings insurance.

118. Mr Bradley then took us to an email from Stewart and Lyn Green to the Applicant, dated 21 November 2024, in which they write: "we haven't received any communication from LRPM (f anyone else) for months". They also refer to various outstanding repairs.

119. Mr Bradley also took us to one of his own emails dated 14 November 2024 to LRPM (and chaser [1455]) concerning several ongoing issues, "as it seems there has been little or no handover from Rhianne on key issues". The complaints in this e-mail comprise building insurance, fire safety, damp report, maintenance, a window insurance claim, and gardening and cleaning.

120. The response from LRPM [1456] was not written until 13 January 2025 and professes that steps were then being taken by Lucie Thomas and Robyn Bithell to sort the issues of which Mr Bradley complained, following Rhianne's departure.

121. Finally Mr Bradley took us to various emails from Mr Player to LRPM [1445, 1448, 1449] concerning the state of manholes on site, which are also mentioned in his witness statement [226] - to which emails he received no response at all from LRPM.

122. The Respondents respond by their entry in the Scott Schedule:

The Respondent's Managing Agents managed the Property during the year ending 31/12/2024. The Respondent believes that the unwillingness of some leaseholders to pay Service Charge invoices has contributed to a shortage of funds which has limited the Respondent's Managing Agent in progressing major works. The Respondent believes that the Managing Agents say they have continued to manage the Property as per their contractual requirements.

123. Mr. Green called Letitia Randall as a witness, being best placed to justify LRPM's fees. She contended that the fee was well below the industry standard, being £254.40 per unit inc VAT. She stated that there had been management agreements following the 2020 agreement in the bundle, and the out of hours service was a telephone service charged at £1 per unit (she probably meant £1 per month for all units, since the figure is £204). She contended that this was an additional fee because it was out of the scope of standard management. She contended there was a property manager in place in 2024, Namely Robyn Bithell assisted by 3 other persons, Jim, Lucie and Nina. The issue with lack of progression of works was down to funds not being paid by the leaseholders. There was also an issue with some female staff having difficulties with certain leaseholders (we assume male, because in answers to questions Ms Randell said there was no male at the company with enough qualifications to do the job). She could not say why Mr Player's correspondence had not been responded to.

124. In answer to questions from Mr Bradley, she could not say why none of the agency staff had noticed the fire door not being installed correctly. She accepted it was an "oversight", thinking there was a fire door but being unaware it did not meet standards. She agreed she had read the far door audit but contended that the company had initially said the door had passed on installation, but had agreed to come to install a new one in June 2026. She contended there was no

clear explicit e-mail complaining of a lack of visits by the managing agents. She was unable to say why there had been a lack of cleaning, gardening and fire alarm testing in 2024.In the Tribunal's determination the management fees were not reasonable in amount. The Upper Tribunal has held that where the quality of the services delivered by the agents themselves or others and/or the condition of the development is below normal expectations, this is indicative of the management function not being executed to a reasonable standard, and a percentage deduction may follow: *Kullar and Prior Place Residents Association v Kingsoak Homes Ltd* [2013] UKUT (LC) – there, a 10% reduction in management fee where there was failure to communicate and inadequate management on the part of the managers, no signed management agreement and no budgets provided to tenants.

125. The out of hours service does not appear to us to be unreasonable in occurrence or prima facie in amount. However, we determine the instant case (of lack of final accounts, noncommunication and reduction of services) to be more serious than *Kullar*. We determine that a deduction of 25% is appropriate to be applied to the sum of £4324.80, leaving a relevant cost of £3243.60 to be apportioned amongst the 17 leaseholders. Each of the Applicants is therefore liable to pay **£190.80**, we conclude.

Lease construction

126. The Applicants' statement of case seeks a declaration "confirming that the Lease (Schedule 6) mandates an arrears based recovery model for all service charges, and that no estimated or advanced payments beyond the fixed interim instalments are lawfully payable." (page 1) [175].

127. This is further expanded upon, on p.4 of the Statement of Case [178-179]. The Applicants contend the Respondent "has no contractual authority to demand estimated or advanced payments beyond the defined interim instalments".

128. In this regard, the Applicants rely on the fact that Schedule 6 states that "expenditure on services" includes "interest paid on money borrowed for the purpose", emphasising that the service charge machinery envisages the landlord paying for all relevant costs in advance (if necessary borrowing in order to top up the interim service charge payments), and only later (after certification) can the Respondent recover the balance from the leaseholders.

129. The Applicants also rely on the previous decision, CAM/33UB/LIS/2021/0032, wherein this Tribunal on 1 July 2022 held that no *balancing* charges were payable for 2015-2021 without compliant certified statements under Schedule 6; and that leaseholders are liable only for *balancing* charges once proper service charge statements are served.

130. The Applicants contend that even since that decision, the managing agents practices remain unchanged, with noncompliant statements and unreasonable demands persisting: see page 6 of Statement of Case [180].

131. Of particular discomfort to the Applicants is the allegation that the managing agent has failed to undertake any formal reconciliations at the end of each service charge year, in breach of Schedule 6 of the Lease, paragraphs E and F, and RICS Code (3rd ed) section 7.10 (we pause to note the 4th ed of the Code does not apply to this application).

132. Mr Bradley makes this complaint in his witness statement also, in paras 13-14 [217], as does Mr Player at paras 19-20 [227-228] who is supported by Ms Leigh at para 16b [236], Mr Roberts at para 3 [250] Ms Chappell at para 5 [255], Mr French's letter of 14 August 2023 [338], Ms Soar's email of 22 July 2025 [387] and Mr List's email of 5 July 2025 [432].

133. Although the Respondents agree in their Statement of Case that "The 6th Schedule of the flat leases does not permit the landlord to demand advance payments for works or services in excess of the interim service charge instalment" they do not engage with the argument that no reconciliation and final balancing has been undertaken for the years in question. We note emails dated 25 July 2025 [476] and 5 August 2025 [424] in which LRPM contend: "That position remains that the 6th Schedule of the lease permits advanced service charge demands, provided they are based on previous years certified expenditure" [424].

134. In oral representations the Respondents contended that the final accounts would be completed "shortly", and when pressed, we were told that meant "in the next 6 weeks". We were also informed s.20B notices had been sent out on 23 April 2026, although we were not shown any documents.

135. Revisiting the decision from 2022, we agree that the essential reasoning on this issue in that case was that any *balancing* payment was truly conditional on there being served a "service charge statement" compliant with Schedule 6. However, the Tribunal also determined that such an interpretation did not nullify the requirement for leaseholders to make *interim* payments. See paras 40-43 thereof.

136. What that decision did not consider was a situation where, on the facts, the landlord fails to make any demands for a final balancing payment (because no reconciliation has occurred), and all interim service charge sums demanded have been based on a budget for the year, not the last Service Charge Statement.

137. The type of accounting documentation, and when it was sent to the Applicants, was not presented coherently by the parties. Nonetheless, by way of illustration of the problems in this case, we can take these facts from 2023:

(1) The budget schedule for 2023 was not sent to Mr Bradley until 11 July 2023 [586];

(2) By that date, the date for payment of the first service charge instalment had already passed (30 June 2023), meaning Mr Bradley could not strictly comply with the 6th Schedule, paragraph D;

(3) The budget schedule gives a service charge total of £18544.80 [588] and indicates that sum will be split equally between all 17 leaseholders (£1090.87);

(4) The service charge invoice [589] demands that Mr Bradley pay ½ of the above sum (£545.44) within 30 days of 11 July 2023 and the other half by 1 December 2023. In that regard, there was noncompliance with the 6th Schedule, paragraph A(iii) - because the sums should not have been based on the budget figure, and also the date for the second interim payment should have been 31 December 2023;

(5) No Service Charge Statement was prepared by any accountant nor served on Mr Bradley after 31 December 2023, contrary to Schedule 6, paras A(iv), C and D;

(6) Instead, on 21 January 2025 [354] MA Partners LLP wrote a letter* indicating they had "checked the purchase invoices to payments made and the income received by LRPM in each period". The remainder of the letter shows that they had found it to be the same, concluding "we can confirm that the service charge accounts prepared by LRPM would appear to be complete and correct".

*A similar letter had been produced on 7 June 2023 [319] for 2020/2021

138. While we agree the Tribunal cannot make declarations, pursuant to section 27A of the 1985 Act we can determine whether sums are contractually "payable".

139. The Tribunal is not prepared to conclude that no sum at all is payable by the Applicants, notwithstanding that interim service charge demands would appear to have been based for all years in issue on budgeted amounts rather than a figure in a Service Charge Statement prepared by an accountant. This is for a number of reasons:

(1) The first is that, unless a lease expressly says so, time is generally not of the essence as regards steps in service charge machinery: *London Borough of Southwark v Woelke* [2013] UKUT 0349 (LC) and *Kensquare ltd v Boakye* [2021] EWCA Civ 1725, recently applied in *Jamal v LB Enfield* [2026] UKUT 104 (LC). We are prepared to believe the Respondents that the final accounts and reconciliation will be finalised very shortly. If the landlord/LRPM do not, the Respondents' failure to comply with the terms of

the lease or RICS Code, particularly if repeated in the future, might provide grounds for the appointment of a manager, pursuant to s.24 of the Landlord and Tenant Act 1987, if the Tribunal considers it just and equitable to make such an order. Alternatively, there might be grounds for a claim in the civil courts for breach of lease/an injunction compelling compliance.

(2) Secondly, it is not clear to us that the Applicants have suffered any real prejudice for all the years in question. For example in 2022, they appear to have been demanded less in amount than they could have been (because the budgeted figure was lower than the actuals for 2021 – compare [569] with [576]).

(3) Lastly, the s.20B notice dated 23 April 2026 will only protect the Respondents as regards relevant costs incurred after August 2024, but not before, because of the 18 month limitation provided by that section. Any demands in future made for service charge *excess* pyments for the years ending 2022, 2023 and much of 2024 may not be payable - noting, of course, that we have not been invited to determine that matter.

Section 20C/para 5A

140. The Respondents concede that no costs relating to these proceedings may be recovered contractually by way of service charges or administration charges from the Applicants. However, we would make clear that, had there been an issue, given the Respondents' noncompliance with the lease, which has been a catalyst for these proceedings, the Tribunal would certainly have made an order that no costs of these proceedings could be recovered by way of service charges or administration charges from the Applicants.

Costs of application and hearing

141. The Tribunal makes the following determination, for reasons similar to those under the preceding paragraph:

142. The Respondents shall reimburse the Applicants the application fee and hearing fee within 28 days of the date of this decision.

Name: S J Evans **Date:** 17 July 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).

Appendix 1

Landlord and Tenant Act 1985

Section 18

(1) In the following provisions of this Act "service charge" means an amount payable by a tenant of a dwelling as part of or in addition to the rent -
   (a) which is payable, directly or indirectly, for services, repairs, maintenance, improvements or insurance or the landlord's costs of management, and
   (b) the whole or part of which varies or may vary according to the relevant costs.

(2) The relevant costs are the costs or estimated costs incurred or to be incurred by or on behalf of the landlord, or a superior landlord, in connection with the matters for which the service charge is payable.

(3) For this purpose -
   (a) "costs" includes overheads, and
   (b) costs are relevant costs in relation to a service charge whether they are incurred, or to be incurred, in the period for which the service charge is payable or in an earlier or later period.

Section 19

(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 provisions 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.

Section 20B

Limitation of service charges: time limit on making demands.

(1)If any of the relevant costs taken into account in determining the amount of any service charge were incurred more than 18 months before a demand for payment of the service charge is served on the tenant, then (subject to subsection (2)), the tenant shall not be liable to pay so much of the service charge as reflects the costs so incurred.

(2) Subsection (1) shall not apply if, within the period of 18 months beginning with the date when the relevant costs in question were incurred, the tenant was notified in writing that those costs had been incurred and that he would subsequently be required under the terms of his lease to contribute to them by the payment of a service charge.

Section 27A

(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.

(2) Subsection (1) applies whether or not any payment has been made.

(3) An Application may also be made to the appropriate Tribunal for a determination whether, if costs were incurred for services, repairs, maintenance, improvements, insurance or management of any specified description, a service charge would be payable for the costs and, if it would, as to -
  (a) the person by whom it would be payable,
  (b) the person to whom it would be payable,
  (c) the amount which would be payable,
  (d) the date at or by which it would be payable, and
  (e) the manner in which it would be payable.

(4) No Application under subsection (1) or (3) may be made in respect of a matter which -
  (a) has been agreed or admitted by the tenant,
  (b) has been, or is to be, referred to arbitration pursuant to a post-dispute arbitration agreement to which the tenant is a party,
  (c) has been the subject of determination by a court, or
  (d) has been the subject of determination by an arbitral Tribunal pursuant to a post-dispute arbitration agreement.

(5) But the tenant is not to be taken to have agreed or admitted any matter by reason only of having made any payment.