FIRST-TIER TRIBUNAL
PROPERTY CHAMBER (RESIDENTIAL PROPERTY)

Case reference	**:**	**CAM/22UC/LSC/2025/0704**
Property	**:**	**7-19 (odd) Legg Close, Braintree, Essex CM7 2BP**
Applicants	**:**	**Dean Young and 5 other leaseholders**
Representative	**:**	**Unrepresented**
Respondents	**:**	**1. Meadow Rise (Braintree) Management Company Limited** **2. Countryside Property (Housebuilding) Limited**
Representative	**:**	**Alexander Bailey, Counsel for First Respondent**
Type of application	**:**	**For the determination of the reasonableness of and the liability to pay service charges**
Tribunal members	**:**	**Judge K. Saward** **Mr R. Thomas MRICS**
Date of hearing	**:**	**14 July 2026 & 6 August 2026**
Date of decision	**:**	**11 August 2026**

DECISION AND REASONS

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Decisions of the Tribunal

(1) The Tribunal makes the determinations as set out under the various headings in this Decision (summarised in the Schedule at Appendix 2).

(2) The Tribunal makes an order under section 20C of the Landlord and Tenant Act 1985 ("the 1985 Act") so that none of the landlord's costs of the Tribunal proceedings may be passed to the Applicants through any service charge.

(3) The Tribunal makes an order under paragraph 5A of Schedule 11 to the Commonhold and Leasehold Reform Act 2002 ("the 2002 Act") extinguishing any liability of the Applicants to pay any administration charges in respect of the litigation costs of this application insofar as they might otherwise have been payable under their lease.

(4) The Tribunal makes an order under Rule 13(2) of the Tribunal Procedure (First-tier Tribunal) (Property Chamber) Rules 2013 requiring the Respondents to pay the First Applicant the sum of £341.00 within 28 days of this Decision, in reimbursement of all their Tribunal fees.

The application

1. The application dated 15 August 2025 was brought by Dean Young, the leaseholder of 17 Legg Close, Braintree. A determination is sought pursuant to section 27A of the 1985 Act as to the amount of service charges payable in respect of the service charge years 2022 to 2025.

2. The relevant legal provisions are set out in Appendix 1 to this Decision.

The hearing

3. Mr Young appeared at the hearing. He was unrepresented. The First Respondent was represented by Counsel. Also present for the First Respondent was Favour Yalaju, the Property Manager. The Second Respondent did not attend and was not represented.

4. To address the imbalance between the parties, the Tribunal proactively questioned the position taken by the First Respondent.

5. The procedure adopted at the hearing was to allow each side opportunity to make representations on each disputed item within the completed Scott Schedules before moving onto the next item.

6. Due to the number of disputed service charge items and lack of preparedness of the First Respondent, the hearing could not be

completed in the allocated day. Counsel was placed in some difficulty in making submissions because the First Respondent had decided not to produce all the invoices they had to evidence the service charges due to volume. This was an odd position to take given that the application challenged whether service charges had actually been incurred following the failure to produce invoices to leaseholder. There were some breakdowns within the bundle, but they could not be readily found causing delay in the proceedings and Mr Yalaju appeared unfamiliar with the content of the Scott Schedules.

7. The hearing was adjourned part-heard on 14 July 2026 and resumed on 6 August 2026. Before adjourning, the Tribunal gave directions for the production of the invoices for estate costs that the First Respondent said they had and which could answer the Applicants' concerns. The parties were also encouraged to liaise to narrow the issues between them.

8. By the time the hearing resumed on 6 August 2026, the First Respondent had produced a Supplemental Bundle of some 447 pages. We mention at the outset that this bundle is muddled and difficult to follow without adequate indexing.

9. Before closing the hearing, the Tribunal checked with the parties that they had made all the points that they had wanted.

Procedural matters

10. The application indicated that other residents within the same block wished to participate in the proceedings. At the outset, no application or written consent from those other individuals was provided for them to be joined as a party to the proceedings. On 25 February 2025, the Tribunal directed Mr Young to send the application to join other leaseholders to the Respondents by 4 March 2026. The Directions allowed the Respondents until 11 March 2026 to make any representations in response by 11 March 2026. When the hearing opened on 14 July 2026 it was established that no Tribunal order had been made to add any other Applicants. The Tribunal administration had provided copies from the leaseholders of the other five flats within the same block confirming that they wished to be joined to the proceedings.

11. After taking instructions, Mr Bailey opposed the inclusion of further applicants on the basis that they are separate leaseholders and entities who needed to provide their own evidence.

12. The Tribunal noted that the Respondents had been alerted to the application for joinder at the Case Management Hearing on 25 February 2026. We understood that the application had been sent to the Respondents. The panel was unaware of any objection having been raised by the Respondents by 11 March 2026 as directed by the Tribunal

on 25 February 2026. Each email communication from the other leaseholders authorised Mr Young to take the lead on the application. In those circumstances, there was no need for them to provide their own witness statements. Indeed, it would not assist the Tribunal to have multiple statements or documents saying the same thing.

13. The Tribunal was satisfied that there was no justifiable objection to the inclusion of the other leaseholders within the block and that it was in the interests of justice to grant the application. Therefore, the Tribunal made a direction pursuant to rule 10 of the Tribunal Procedure (First-tier Tribunal) (Property Chamber) Rules 2013 to add the following leaseholders as co-Applicants:-

Rio Sally Holding-Dale and Lewis Uche Mbelu	Flat 7
Lianna Kearns	Flat 9
Jack Charnock and Emily Summers	Flat 11
Ionela-Daniela Mares	Flat 15
Christian Pavel	Flat 19

14. Prior to the hearing the First Respondent had, without invitation, produced its own bundle after the date for submission of the hearing bundle. The Tribunal had already received a bundle from Mr Young that was filed on time. The First Respondent's bundle had been rejected by the Tribunal as some of the content was opposed by Mr Young, and so it was not an agreed bundle.

15. At the start of the hearing, the Tribunal clarified that the First Respondent had produced some invoices for 2024 and 2025 as separate attachments to their own bundle. As services charges were disputed for both those years the Tribunal considered that it would be assisted to see those invoices. Mr Young agreed. Accordingly, the invoices were provided to the Tribunal. An early lunch break was taken for the invoices to be considered before hearing from the parties on the 2024 and 2025 charges. It transpired that those invoices did not include many of the service charges in dispute and which the First Respondent said were held but not produced.

16. Towards the end of the first hearing day, the Tribunal directed the Respondent to provide the Applicants with copies of any invoices for the disputed service charges for estate costs for the disputed service charge years that were yet to be heard. The directions were subsequently

confirmed in writing. When the supplemental bundle was produced it included invoices for some block costs rather than solely estate costs, as directed. This raised a procedural point as to whether further submissions should be allowed on block costs that were heard on day 1. After a short adjournment, Mr Bailey confirmed that the Tribunal was not being asked to re-open items already heard, and the First Respondent was content to proceed without reliance on the newly produced block cost invoices. The hearing proceeded on that basis.

The background

17. The property which is the subject of this application is a three-storey block of six, 2-bedroomed, residential flats constructed in 2022. The First Respondent is the management company named in the lease. The Second Respondent is the landlord/holder of the freehold interest who was added as a party to the proceedings following the case management hearing conducted by the Tribunal on 25 February 2026.

18. No 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.

19. The Applicant holds a long lease of the property 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 are referred to below.

The issues

20. At the start of the hearing, the relevant issues for determination were identified and agreed as follows:

    (i) Whether the relevant disputed service charges are payable and/or reasonable for service charge years 2022 to 2025;

    (ii) Whether an order under section 20C of the 1985 Act and /or paragraph 5A of Schedule 11 to the 2002 Act should be made;

    (iii) Whether an order for reimbursement of application/hearing fees should be made.

The lease

21. A copy of the lease dated 16 May 2022 for flat 17 Legg Close was provided. The lease was made between the Second Respondent (as Landlord and estate owner) and Dean Young, the Applicant (as Tenant) and the First Respondent (as "the Management Company" formed for the purpose of

maintaining, managing and administering the Estate). The lease is for a term of 250 years from 1 January 2022 (as corrected).

22. At clause 4.2, the Tenant covenants in respect of every Service Charge Year to pay on demand a Proportion of the Service Charge to the Landlord by two equal instalments in advance. Then at clause 4.3, the Tenant covenants to pay to the Landlord on demand a Proportion of the appropriate Service Charge Adjustment pursuant to the Fourth Schedule. Under clause 4.4 the Tenant covenants to pay the Landlord on demand a Proportion of any Additional Contribution that may be levied by the Landlord.

23. Paragraph 2 of the Fourth Schedule provides, in summary, that the Service Charge shall consist of a sum comprising the (i) the expenditure estimated as likely to be incurred in the Service Charge Year by the Landlord for the purposes mentioned in the Fifth Schedule (ii) an appropriate amount of reserve for or towards those matters (iii) a reasonable sum to remunerate the Landlord for its administrative and management expenses.

24. At clause 5.2, the Tenant covenants with the Management Company to pay on demand a Proportion of the "Estate Charge" to the Management Company by two equal instalments in advance on the half-yearly dates provided, being 1st January and 1st July. At clause 5.3, the Tenant covenants to pay the Management Company on demand a Proportion of the appropriate Estate Charge adjustment pursuant to the Fourth Schedule. Under clause 5.4, the Tenant covenants to pay the Management Company on demand a Proportion of any Additional Contribution that may be levied by the Management Company.

25. Clause 1 contains definitions. "The Service Charge" means the total cost of providing the Services, which are those "carried out by or on behalf of the Landlord from time to time as set out or referred to in the Fifth Schedule. "The Estate Charge" is the total cost of providing the "Estate Services", which are those set out in the Sixth Schedule.

26. The "Additional Contribution" is any amount which the landlord and management company (as appropriate) reasonably consider necessary for any of the purposes set in the Fifth and Sixth Schedules for which no provision has been made within the Service Charge and Estate Charge and for which no reserve provision has been made.

27. The "Proportion" payable depends on whether the charge is for the "Services" or the "Estate Services". For the Services, the Proportion is based on the aggregate square footage of the flat in relation to each unit of accommodation within the Block. In relation to the Estate Services, the Proportion is based on the aggregate square footage of the flat in relation to each unit within the Estate capable of enjoying the benefit of the Estate Services.

28. The "Block" means the land shown on the annexed plan comprising six dwellings known as Plots 101-106 Meadow Rise together with the parking and Communal Areas. The "Communal Areas" are parts of the Block laid out as communal areas including lobbies, landings, hallways, private accessways, pathways, gardens, passages, cycle store, bin store, any lifts, parking spaces. The "Amenity Areas" include (amongst other things) the open space areas, landscaping, attenuation ponds and watercourses, footpaths, cycle paths, communal parking, surface water systems, street lighting, acoustic fencing and other communal areas.

29. The "Service Charge Year" means 1st January to 31st December or such other 12-month period which the Landlord chooses from time to time.

30. The Fifth and Sixth Schedules identify the services and matters for which the Service Charge and Estate Charge are chargeable to leaseholders each year.

Findings

31. The Tribunal began by establishing how the service charge amounts had been apportioned. The charges had been split between estate costs and block costs. The amounts in the Scott Schedules gave the total sums for the whole estate and whole block, rather than the sums charged to each Applicant which were in dispute. This is not a criticism of Mr Young who compiled the schedules and used the only figures provided by the managing agents.

32. The lease provides for division of service charges between leaseholders depending upon the size of flat and communal facilities. Calculation of the figures was less of an issue for 'block charges' once it was confirmed that all flats are of equal size and the amounts are thus divisible by six (i.e. 16.7% of the total sums, per flat). The first day of the hearing focussed on hearing evidence and submissions on the block charges. It was not until the afternoon of the first day that confirmation was received that the estate charges for each Applicant are charged at 0.3%. Mr Young did not contest this, and the Tribunal accepts 0.3% as the applicable percentage. The second day of the hearing concentrated on the estate charges.

33. A further important point arising was whether the applications fall to be considered under section 19(1) or 19(2) of the 1985 Act. There is an important difference in the subsections. Section 19(1) not only limits the amount payable for a service charge to the extent that it is "reasonably incurred", but also to services or works that are "of a reasonable standard".

34. Where a service charge is payable before the relevant costs are incurred, then section 19(2) applies and "no greater amount than is reasonable is

so payable". After the relevant costs have been incurred, any necessary adjustment must be made by way of repayment, reduction, or further charges issued. Once the charges are reconciled, section 19(1) applies in the same way as service charges raised for costs incurred.

35. In this case, it was established that the service charges for 2022 to 2024 (inclusive) are actual sums. The accounts have been finalised and signed off. The application for 2025 was made partway through that service charge year. Whilst the accounts were said by Mr Yalaju to now be finalised, the amounts shown remained estimated. Therefore, section 19(1) applies to the figures for service charge years 2022 to 2024 whereas section 19(2) applies to service charge year 2025. When considering charges under section 19(2), we take account of any evidence up to the time that payment was due and not after.

36. The service charge year runs from 1 January to 31 December each year.

Approach, analysis and conclusions

37. As the disputed charges have been split between 'estate costs' and 'block costs', we have followed the same approach for consistency. As all leaseholders within the block dispute the 'block costs', we give the total block cost charged against each item. For the 'estate costs' we give the total sum and make findings on the sum payable by each Applicant, calculated at 0.3%. In the Schedules at Appendix 2, the 0.3% apportionment found to be payable is given with the total estate costs appearing in brackets beneath.

38. For many of the charges, the First Respondent asserts that the burden of establishing alleged unreasonableness rests with the Applicant and the burden has not been discharged. That is not a wholly accurate reflection of the law in our view. A party asserting an issue must at least make out a *prima facie* case. In other words, it is not simply enough to assert that service charges are unreasonable without saying why. That is not the same as shouldering the burden of proof. The Tribunal has an inquisitorial function and applies its expertise to the determination of issues. We bear well in mind the words of Lord Justice Sedley in Daejan Investments v Benson [2011] EWCA Civ 38 that:

> "*…it is increasingly rare in modern litigation for the burden of proof to be critical. Much more commonly the task of the tribunal of fact begins and ends with its evaluation of as much of the evidence, whatever its source, as helps to answer the material questions of law. In nine cases out of ten this is sufficient to resolve the contest. It is only rarely that the tribunal will need to resort to the adversarial notion of the burden of proof in order to decide whether an argument has been made out, and tribunals ought in my view not to be astute to do so: the burden of proof is a last, not a first, resort.*" [86]

39. With that in mind, where the Applicants have disputed service charges because no invoices have been produced and they challenge whether works/services have been provided, we have accepted that a *prima facie* case has been made.

40. To avoid unnecessary repetition, the Tribunal has grouped the service charges where the same type of charge is disputed in multiple years, where practical to do so.

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

Block costs

42. Before addressing specific items, we make the following observations. Mr Bailey explained that in 2022 the former management company was in place. Mr Bailey acknowledged that the First Respondents are "in difficulty" in evidencing the charges imposed for 2022 as they have no invoices or records for that year. The Tribunal was pointed to the 2022 finalised accounts that had been signed off.

43. We note that the accounts were not audited. They record expenditure against the service charge type, and so it is possible to identify the individual sums. The First Respondent says that if expenditure is shown in the accounts, then it is reasonable to conclude that the service was undertaken. The Tribunal does not necessarily agree. The evidence as a whole must be considered. The accounts are of limited value where the Applicants maintain that the service was not provided to a reasonable standard under section 19(1)(b).

44. The Tribunal heard that the former managing company became part of 'Firstport' in 2023. Mr Yalaju said that he became the Property Manager in February 2024. Therefore, he was unable to provide evidence of what occurred prior to that time. Mr Young was at pains to emphasise that the management had much improved under Mr Yalaju by around the end of 2024.

Communal cleaning – £619.97 (2022), £1,125.03 (2023), £1,125.03 (2024), £1,019.99 (2025)

45. Provision exists within the lease for recovery of block cleaning costs within clause 4.2 and paragraph 5 of the Fifth Schedule which identified the keeping of communal areas suitably cleaned as a service charge purpose.

46. Mr Young explained that the flats were newly built when he moved in during May 2022. Other leaseholders within the block moved in around

the same time. Mr Young stated that he believed the work had not been done at all and no cleaning logs have been provided.

47. The First Respondent says the work was done but accepted it has no evidence of that.

48. The income and expenditure report for 2022 lists the budgeted sum for cleaning as £800 with the actual sum being £619.97. An adjustment being made is indicative of a service being provided, costing less than anticipated. As the block was newly built, the charge would have been for part of the year only. Nevertheless, the Applicants say there was no sign of cleaning being done and there is a lack of evidence of the service being provided to the block. On balance, the Tribunal is not satisfied that the service was provided and **disallows the £619.97 in full for 2022.**

49. The Applicants accept that some cleaning was done in 2023, but they considered it to have been of a poor standard. There had been carpet stains since the developer left and there were cobwebs. There were no cleaning logs, and it was unclear how much time was spent.

50. Mr Yalaju answered that the cleaning contract was for twice monthly cleaning. It was up to the contractor whether to have one or two people undertaking the cleaning. It would be 30 minutes to 1 hour on site. When asked if the cleaning was therefore 2 hours per month, Mr Yalaju confirmed that to be correct.

51. The breakdown for 2023 lists one payment entry on 2 February 2023 of £475 for cleaning following an adjustment of -£394.97 on 1 January 2023. Another one-off payment of £380 is entered on 31 December 2023. Otherwise, the entries show £95.00 per month. This strikes us as very high for 2 hours cleaning of the block per month.

52. Contrary to what the Respondents claimed in the Scott Schedules, reasonableness was being disputed. We also take account of the unrefuted complaints from the Applicants that the cleaning was not done to a reasonable standard. All things considered we make a 50% reduction on the charge **for 2023 as reasonable, to allow £562.52**.

53. In 2024 the communal cleaning cost remained high at £1,176.01 for the year. Delivery of the service as billed for does not mean that the amount was reasonably incurred or that the service was of a reasonable standard. Bearing in mind that Mr Young acknowledged that the service had improved towards the end of 2024, we find that a 25% reduction in the sum charged is warranted and reasonable. **For 2024 the sum of £882.00 is allowed.**

54. There was a small reduction in the cleaning charge **for 2025 to £1,019.99. As this is a budgeted figure only, we consider it reasonable.**

Fire/AOV/emergency systems - £308.40 (2022), £632.40 (2023), £522.00 (2025)

55. Provision for such works exists within the lease at paragraph 10.6 of the Fifth Schedule as a cost incurred by management to comply with statutory inspections and testing for health and safety, fire protection, electrical appliances and systems fire risk assessment purposes.

56. Mr Young challenges the Respondent's assertion that the work was done in 2022 and points to the absence of invoices, which Mr Bailey admitted were not available. The item appears as expenditure in the accounts and is greater than the £200 budgeted. As before, the Tribunal is not satisfied this suffices to demonstrate that the works were conducted and **disallows £308.40 for 2022**.

57. For 2023, Mr Young accepted that the works were necessary but queried the lack of inspection reports and whether the amount is within market range. Mr Yalaju explained that there were twice yearly checks. For 2024, the breakdown provided by the Respondents shows £308.40 for a maintenance contract visit on 15 February 2023 and an AOV contract visit on 31 July 2023 for £324.00. There was no requirement for a landlord to accept the cheapest option provided the sum is reasonable. The entries are consistent with twice yearly visits. The amounts appear reasonable and therefore **£632.40 is allowed in full for 2023.**

58. There is no disputed item for this service charge in 2024. During the hearing Mr Young **withdrew objection to the estimated charge of £522.00 for fire systems maintenance for 2025.**

Management fees - £1,008.00 (2022), £1,161.76 (2023) & (2024) and £1,249.00 (2025)

59. Management fees are payable under the lease as a service charge purpose at paragraph 10 of the Fifth Schedule being a cost and expense incurred by the Landlord in the running of the block and the collection of rents and service charge along with the enforcement of covenants in the lease.

60. Management fees were only recoverable from the time the flats were first occupied in 2022. The charges for 2022 are thus for part of the year only.

61. It was Mr Young's evidence that there was no active management from the time he moved in during May 2022 until November 2022. Even then, the service was poor with leaseholders ignored. The Respondents were unable to contradict the reported lack of active management. Based on

Mr Young's evidence, the absence of service followed by poor delivery over a short period gives us cause to conclude that the charges were not reasonable. Indeed, the limited service was so bad that **the sum of £1,008.00 is disallowed for 2022.**

62. For 2023 the management fees had risen to £1,161.76, and they remained at that amount in 2024. This equates to around £193 per unit. Mr Young confirmed that is not the amount being disputed per se but the standard of service. In 2023, Mr Young said that the leaseholders had been "bounced around from department to department." Email chains are produced to demonstrate the frustrations being experienced.

63. This experience had continued into 2024 with a lack of contact and engagement from the managing agents. The Applicants were trying to understand how they had been billed. The managing agents continued to fail to disclose invoices and did not explain costs and how they were apportioned. The apportionment was only confirmed at the hearing.

64. After attempting to justify the service in 2023, Mr Yalaju admitted that he was not working for the managing agents at that time and therefore could not say what the service was like. Clearly, the managing agents were providing some service, but we conclude that it was not of a reasonable standard throughout.

65. The Tribunal determines that a 25% reduction is reasonable across both years to reflect the failings in the service received. Therefore, the amount that is reasonably payable **for management fees in 2023 and 2024 is £871.32.**

66. By 2025, the Applicants accept that the service had improved considerably following the appointment of Mr Yalaju. There is a small increase in estimated fees to £1,249.00 from the previous years. The Tribunal finds it reasonable to budget for this sum equating to just over £200 per unit. **The sum of £1,249.00 for 2025 is allowed.**

<u>Reserve fund contribution - £600.00 (2022)(2023)(2024) & £1.200.00 (2025)</u>

67. Pursuant to paragraph 2.2 of the Fourth Schedule to the lease, the service charge includes an amount as a reserve for, or towards, those matters mentioned in the Fifth Schedule as likely to give rise to expenditure either once during the then unexpired term or at intervals of more than one year during the unexpired term. It includes matters such as decorating the exterior of the Block or repair if the structure or conduits.

68. Even though this was a new build property in 2022, it is sensible for a prudent landlord to start to build a reserve fund from the outset to make provision for future anticipated and unexpected expenditure. Leaseholders are unlikely to thank a landlord who fails to do so if

presented with an unexpectedly large service charge bill in future years for which they have not budgeted.

69. We consider a reserve fund contribution of £100 per flat is reasonable. We **allow the reserve fund block costs of £600 for 2022, 2023 and 2024**.

70. In 2025, the reserve fund contribution doubled to £1,200.00. Mr Yalaju confirmed that the reserve fund had not been used yet. The next planned item of expenditure is internal redecoration in 2027. If a proper plan is in place, then it would be expected that the amount of contribution would remain consistent. In this instance, the Tribunal accepts that new managing agents have taken over and that an injection of cash was considered appropriate to have in reserve. However, the justification for such a large increase was lacking in any real detail. In our judgement, a figure of **£900 is reasonable for 2025**.

Additional reserve fund - £1,422.22 (2023)

71. It was accepted by Mr Bailey that there is no evidence in the bundle to demonstrate why this sum was charged aside from the entry in the breakdown sheet. This simply states "To8000 Block Surplus to Estate Reserve". The reference to "estate reserve" causes the Tribunal to question whether this was meant to be an estate cost. In the absence of explanation, we are not satisfied that this item is reasonable and it is **disallowed.**

Insurance - £1,330.79 (2023), £1,057.99 (2024), £1,506.28 (2025)

72. Insurance of the block is one of the Service Charge purposes covered within the lease at paragraph 13 of the Fourth Schedule for which the tenants are liable to contribute under clause 4.2. Insurance against third party risks is also provided for at paragraph 14.

73. The Applicants acknowledge that insurance is necessary and say that supporting documentation has been provided for 2023. However, concern is expressed over several insurance adjustments, reallocations and apportionments between the schedule without clear explanation of how £1,330.79 is derived. Mr Bailey for the First Respondent, referred the Tribunal to the accounts.

74. The only invoice provided for block insurance in 2023 is for £663.74. The accounts show an entry for Employer's Liability Insurance of £1,330.79, but this does not tally with the invoice of £663.74 for 7-19 Legg Close. The breakdown has an entry dated 6 January 2023 of £663.74. Entries also appear for 31 December 2023 of £1585.33 and -£918.28. The combined figures total £1,330.79, but it is unclear what the figures from

31 December 2023 represent. A satisfactory explanation was not provided.

75. From the evidence before us, the Tribunal finds that only £663.74 was incurred. Accordingly, **we allow £663.74 only for 2023.**

76. For 2024, the First Respondents say the costs were incurred, there are accounts and a breakdown, but no invoice. In our judgement, the figure of £1,057.99 appears high and without an invoice we are not satisfied it has been reasonably incurred in respect of this block. Allowing a 10% increase from the sum in the previous year, is **£730.11 for 2024**.

77. There was a large increase to £1,506.28 for 2025 but as a budgeted amount we consider it reasonable in the absence of insurance quotes from the Applicants for comparison purposes. The sum of **£1,506.28 is allowed for 2025.**

Electricity - £350.00 (2023), £450.00 (2024), £350.00 (2025)

78. The lease allows for the recovery of electricity costs for the communal areas to be suitably lit and supplied with electricity as a service charge purpose at paragraph 5 of the Fifth Schedule.

79. Mr Yalaju gave a long and convoluted explanation about the electricity bills having been sent by the utility provider to the wrong address so that the management company had not received them. There had apparently been meter readings taken, but the First Respondent cannot yet say what the usage had cost as the details have only just been received. It is still under investigation. From what we could glean, whilst the figures appear in the accounts for 2023 and 2024, they all remain estimates and the accounts need to be reconciled.

80. Clearly, block electricity will have been consumed but we have no means of ascertaining from the evidence heard what sums should be allowed for 2023 or 2024. The First Respondent's position was so unclear and uncertain that we **disallow the service charges of £350.00 and £450.00 for 2023 and 2024, respectively**.

81. **For 2025, we allow the estimated sum of £350.00** as the Applicants had not secured estimates from other providers to indicate that the sum is greater than reasonable.

Window cleaning - £115.46 (2023), £117.00 (2024), £234.00 (2025)

82. During the hearing, Mr Young withdrew objection to the window cleaning service charges for 2023 and 2024. He maintained the objection for 2025 due to the large increase on the amount incurred in 2024. The

Tribunal shares this concern. Mr Yalaju explained that the contract had been put out to tender as it was company policy, but this did not explain such a sharp increase for what was said to be four visits per annum.

83. The Tribunal considers the sum of £234.00 is greater than is reasonable to budget for and **allows the sum of £150.00 for 2025** as being within the parameters of reasonableness.

General maintenance - £504.50 (2023), £135.00 (2024), £1,424.40 (2025)

84. General block maintenance charges are a recoverable service item under paragraph 3 of the Fifth Schedule which requires the communal areas to be properly preserved in good order and communal garden accessways (to the extent that they form part of the block) properly maintained. Paragraph 5 also requires communal areas (including bin stores) to be suitably cleaned.

85. The Applicants case on this item for 2023 is that they could not make any sense of what the charge was for and pointed out that this was a new building. Having been taken to the breakdown, Mr Young accepted the £120 to fix a water leak to the communal bin store. Mr Young considered the sum of £282 to be excessive for removal of fly-tipped waste. The Tribunal considers this to be a reasonable amount and notes that an invoice number for February 2023 is provided in verification of the item. The balance is identified as a leak repair of £102.50 for which an invoice number is given for January 2023. Whilst invoices have not been supplied, we are satisfied that there is just about sufficient to conclude that **the sums totalling £504.50 for 2023 were reasonably incurred and are payable**.

86. The Applicants had disputed the £135.00 in total against general maintenance for 2024 on the basis that it was unclear what the sum was for. The breakdown provided in the hearing bundle identifies it as a single payment to deep clean the bin store. The Tribunal determines that this item of **£135.00 for 2024 is reasonable and payable.**

87. There was no explanation during the hearing for why the general maintenance charge for 2025 was estimated at £1,424,40. Given the lack of explanation we consider this to be greater than is reasonable. **We allow a sum of £1,000.00 for 2025.**

Water and sewerage - £100.00 (2025)

88. Whilst it is not entirely clear what this item is, water and sewerage charges are payable under the lease as a "conduit" not serving a flat exclusively.

89. Mr Young accepted that it was reasonable as a budgeted amount. Given the concession, this item is **allowed.**

Refuse bins - £2,808.00 (2025)

90. The complaint on this item is that the Applicants do not understand the charge. Mr Yalaju stated that this item should have been an estate cost, not a block cost. That being so, the Tribunal **disallows this item**.

Door & emergency systems - £100.00 (2025)

91. After Mr Yalaju explained that this was budget provision for any callout charges and works to the main entrance door entry system, the Applicants objection to this item was **withdrawn**. The withdrawal is accepted.

H&S and risk assessments - £600.00 (2025)

92. This item is recoverable as a service charge item under the lease at paragraph 10.6 of the Fifth Schedule as a cost incurred by management to comply with statutory inspections and testing for health and safety, fire protection, electrical appliances and systems fire risk assessment purposes.

93. The Applicants had not understood the necessity for this item and the sum involved. Mr Yalaju explained that a qualified licensed contractor is used to undertake various checks to fulfil legal requirements on health and safety. They include the block AOV system and conducting a Fire Risk Assessment every 3 years.

94. The Tribunal regards £600.00 as typical for such an item. It is **allowed**.

Estate costs

95. During the second day of the hearing several disputed service charges were withdrawn by the Applicants, which the Tribunal accepts. They are recorded in Appendix 2. Those concessions largely arose following the provision of invoices from the First Respondent, but also on the basis that the 2025 figures were budgeted amounts only.

96. Unless otherwise stated, provision exists within the lease for the estate costs to be recovered as an Estate Charge under clause 5.2 and paragraph 1 of the Sixth Schedule. Paragraph 1 provides for the amenity areas to be inspected, maintained, repaired and renewed and otherwise properly maintained as part of the Estate Charge.

General repairs & maintenance - £2083.40 (2022), £1,564.87 (2023), £2,313.64 (2024), £4,000.00 (2025)

97. For the year ending 2022, four invoices have been produced totalling £1,232.40 against this item. Mr Bailey confirmed that is all there is. The production of invoices is not essential to demonstrate that charges were reasonably incurred. Furthermore, we note that the sum of £2083.40 appears in the certified accounts for actual expenditure. However, the accounting notes specify that checks on invoices were based on a sample only. Despite the additional opportunity afforded to the Respondents to provide information between sitting days, the Respondent had no answer for the discrepancy between invoices and amounts. They could not explain what works the remaining balance would have been for.

98. On balance, the Tribunal is satisfied that £1,232.40 only was reasonably incurred and reasonable. **For 2022 the sum of £3.69 is payable per Applicant** calculated at 0.3%.

99. For estate general maintenance in 2023 the Applicants query only £294.00 of the £1,564.87 total estate cost. The figure of £294.00 is included within the service charge account, but it is described as "Co Sec – Notice Fees" under "Corporate Payments". Mr Yalaju suggested the Accountant may have moved the sum to the general maintenance service charge and asserted that the monies were payable however described.

100. Plainly, by description this £294.00 is not for general maintenance, but for some sort of company secretary notice fees. Without adequate explanation for the anomaly, the £294.00 should be deducted leaving £1,270.87. The Tribunal finds **£3.81 payable per Applicant for estate general maintenance in 2023.**

101. With regard to 2024, it was conceded by the First Respondent that £114.00 should be deducted from the estate general maintenance charge of £2313.64 as it related to a block cost.

102. Additional invoices were provided, but the Applicants had been unable to work out what work had been undertaken. One invoice of £1,111.20 was provided for maintenance of the bin store. Mr Young opined that this seemed a lot of money for the works described. Mr Yalaju said there were two bin stores for areas S2 and S5 (S5 being the Property block). He was unsure of which area the work was carried out and suggested the cost should be split between the two areas. That is not an acceptable approach. The first issue is whether the Applicants have liability under their leases or not. It was also unclear why these works were not a block cost in any event. The Tribunal is not satisfied that the £1,111.20 is a sum for which the Applicants have liability and it shall be disallowed.

103. With total deductions of £1,225.20, it leaves a total amount of estate general maintenance for 2024 of £1,088.44. This equates to **£3.26 per Applicant**.

104. Turning to 2025 where the sums remain estimated. The Applicants corrected the sum to £4,000.00 being the budgeted amount. A later figure of £6,913.19 had erroneously been inserted into the Scott Schedule.

105. The Applicants query why an extra £2,000 is needed from the previous year. Mr Yalaju answered that the estate has a playground, trees, communal park, pond and fencing. There are a lot of assets on site requiring maintenance.

106. Some of these items may be more likely to be grounds maintenance charges. Nevertheless, the Tribunal considers that a budget of £4,000.00 increased from £2,313.64 in the previous year is a reasonable amount to budget for with an estate of this size. The sum of **£12.00 per Applicant is reasonable and allowed** for estate general maintenance in 2025.

Garden maintenance - £9028.91 (2022)

107. Of the £9028.91 total estate cost, there are invoices totalling £5,385.00 that are undisputed by the Applicants.

108. Mr Yalaju acknowledged that one invoice of £185.00 concerned another site and should not have been included in the bundle. Another invoice of £420.00 was a developer cost that should be reimbursed. It was accepted that duplicate invoices of £650.00 were included and one should be disregarded. One amount of £650.00 is included within the figure of £5,385.00.

109. The Respondents were unable to explain how the balance was calculated. Given the errors that were evident from duplicate invoices and others that were not chargeable to the estate, the Tribunal has concern over the accuracy of this and other items, notwithstanding the finalised accounts.

110. It was put to the Tribunal that the First Respondent only had a week to pull together the invoices, which was why errors arose. The Tribunal is unsympathetic to this, when the application challenging the service charges was made in August 2025 and directions were first issued by the Tribunal on 15 December 2025 requiring copies of all demands for payment and details of any payments made. Due to the hearing being part-heard on day one, the Tribunal afforded the Respondents further opportunity to produce the evidence on estate costs that they said was held but not produced.

111. On balance, the Tribunal can only be satisfied that £5385.00 was reasonably incurred and reasonable so that **£16.15 per Applicant is payable**.

Grounds maintenance - £14,427.09 (2023) & £15,859.98 (2024)

112. Mr Young submitted that the invoices supplied for estate grounds maintenance in 2023 total £10,647.00 and not £14,427.09. We have checked the invoices and located two others that were out of sequence in the SB at pages 143 and 144 totalling £1075.00. Therefore, by our calculation, the invoices total £11,722.00. The Applicants say they have been trying to understand the accounts as figures have been moved around. There has been no explanation from the Respondents. The First Respondent had no answer at the hearing to explain the discrepancy in amounts.

113. The Tribunal noted that the service charge account lists a whole series of sums throughout 2023 against grounds maintenance totalling £14,427.09. As pointed out by Mr Young, the account shows a deduction of £3,394.91, indicating there were total costs exceeding £17,000.00.

114. There appears to have been an accounting error. The First Respondent could not assist. In the absence of explanation, the Tribunal finds that only £11,722.00 (for which invoices are provided) has been reasonably incurred. Consequently, the sum of **£35.16 per Applicant is payable for 2023**.

115. Turning to 2024. Uncertainty had arisen because several of the invoices contain 'notes' referring to 20-30 Cloughton Avenue. This prompted the question as to whether they were estate costs to which the Applicants are liable to contribute.

116. At the hearing, Mr Yalaju explained how accounting practices had changed with effect from early 2024. All tenants within the blocks benefited from estate grounds maintenance and so there was no need to split the charges between blocks. Whilst there are invoices referring to Cloughton Avenue, the amounts were distributed among all the blocks. Mr Young accepted this explanation, but not the large discrepancy between invoices and charges.

117. In spite of spending a long time during the hearing going through the bundles, the accounts and invoices could not be reconciled. The Tribunal notes that the service charge accounts (at pages 330-331 of the main bundle) show entries totalling £15,859.98, but there do not appear to be year end accounts supplied. The accounts again show sums being moved around without explanation.

118. There is a distinct lack of clarity in the Respondents' position. They cannot simply rely on the service charge accounts and say that the Applicants have produced no evidence to contradict the reasonableness of the amounts when the Applicants have shown cause to call the amounts into question.

119. On balance, the Tribunal is satisfied that £9,480.00 only was reasonably incurred. At 0.3%, the sum payable by each Applicant **for 2024 is £28.44**.

Health & Safety Risk Assessment - £618.00 (2022), £708.00 (2023)

120. In addition to the inspection and maintenance provisions in paragraph of the Sixth Schedule, paragraph 24 provides for estate charges in respect of compliance with statutory inspections and testing for health and safety purposes and electrical appliances within the Amenity Areas. We are satisfied contractual provision exists for this item.

121. After the First Respondent conceded that the total estate charge of £618.00 included an invoice for £228.00 that should be disregarded as applying to Cloughton Avenue, the balance of £390.00 was agreed. The Tribunal has no reason to disagree and finds **the sum of £1.17 per Applicant is payable for 2022**.

122. The only issue raised by the Applicants in this item for service charge year 2023 is that one of the two invoices of £354.00 making up the £708.00 total, relates to 30 Cloughton Avenue. It was conceded to be an error at the hearing. The total costs should have been £354.00. Thus, we find that **£1.06 per Applicant is payable for this 2023** estate cost.

Management fees - £15,918.05 (2022)

123. Provision is made in the lease for management fees in respect of estate costs at paragraph 2 of the Sixth Schedule. It allows for the payment of all reasonable and proper costs and expenses reasonably and properly incurred by the Management Company in generally managing and administering the Amenity Areas. It includes collection of the Estate Charge, preparation and audit of the Estate Charge accounts, among other matters.

124. Mr Bailey accepted that the invoices produced do not tally with the total sum of £15,918.05. Mr Young calculated the total invoices to amount to £13,792.50, of which he challenged several invoices. Firstly, Mr Young queried why some invoices were charged to the estate when they related to individual plot numbers. The invoices, using supplementary bundle ("SB") page numbers, are at pages: 34 (£15.00), 35 (7.50), 36 (£22.50), 37 (£15.00), 45 (£7.50), 46 (£15.00), 47 (£15.00), 50 (£7.50), 51

(£45.00), 52 (22.50), 53 (£22.50), 54 (7.50), 55 (22.50), 56 (£15.00), 62 (£15.00), 64 (£7.50), 65 (£7.50). These sums total £270.00.

125. Mr Yalaju answered that the charges could be for the plot or the estate. He did not know which. Mr Bailey accepted that the First Respondent was "in difficulty" on these amounts. As the First Respondent did not know if these charges amounting to £270.00 should be charged to the estate, the Tribunal cannot be satisfied that they are so payable and they must be deducted.

126. Other points arising were that the sum of £252.00 [at SB 38] relates to Sch2 and not Sch1. The parties at the hearing accepted that this sum should be disallowed. We agree.

127. The invoice for £203.75 [at SB 41] is for "The Meadows Cuckfield MC". As Mr Young pointed out, the address is similar but not the same as the estate. Mr Yalaju thought that the sum ought not be added to the yearly charges. He could not confirm whether they were added or not. As the invoice has been produced for this service charge dispute, we take it that the sum was included within the charges. We are not satisfied that this sum was reasonably incurred in respect of management services for this estate. The sum of £203.75 must be deducted.

128. The invoice [at SB 49] for £1,620.00 is for the quarter commencing 1 July 2021. Mr Bailey assumed the invoice to be included in error but pointed out there were still the final accounts which had been signed off. The difficulty with that argument is the Independent Accountants' Report for the year ended 31 December 2023 stated (within the 'report of factual findings') that they were unable to confirm the entries were supported by receipts. So, there may have been some receipts but not all. This weakens the Respondent's argument considerably. Having produced the invoice against this service charge item, we cannot be satisfied that it was a mere administrative error and was not included in the calculation. On balance, we find that the £1,620.00 should be deducted.

129. Mr Bailey also recognised that the First Respondent was in some difficulty on the invoice [at SB 58] for £270.00. This invoice is expressed to be for property management services relating to specific plots, not including the Property. That being so, we cannot be satisfied that these are estate costs and the sum of £270.00 shall be deducted.

130. The same invoice has been produced twice [at SB 60 and 63]. Mr Young was content with the explanation from Mr Yalaju that they were duplicates included in the supplementary bundle in error and had not been charged twice. We also accept the position after Mr Yalaju said he had checked his database. No deduction for this is made accordingly.

131. The deductions to be made amount to £2,615.75. As before, we are not satisfied that £15,918.05 is correct. We take £13,792.50 as the starting point from which the deductions are to be made, leaving £11,176.75. The Tribunal finds the **sum payable for estate management fees for 2022 is £33.53 per Applicant**.

Management fees - £19,350.00 (2023)

132. For 2023 estate management fees, the Applicants challenge various amounts within the £19,350.00 total. There was a list of single amounts for which invoices are supplied where quarterly charges for the same period have also been imposed. Mr Young asked why there were extra charges. Mr Yalaju could not explain at all.

133. There was some suggestion that charges, such as £22.50 invoiced on 21 December 2022 [at SB 145], were for services in a previous year that were paid in the next and they will not have been charged twice. However, as Mr Bailey admitted, this did not explain why the invoice at SB 145 and others were described as services provided to individual plots.

134. Without explanation as to why further management fees were charged in addition to the quarterly charges, and in respect of individual plot numbers, the Tribunal is not satisfied that they were reasonably incurred. The following amounts are therefore to be deducted:

(i) £252.00 - SB 129
(ii) £126.00 - SB 130
(iii) £294.00 - SB 131
(iv) £22.50 - SB 145
(v) £112.50 - SB 147
(vi) £15.00 - SB 148
(vii) £67.50 - SB 149
(viii) £15.00 - SB 150
(ix) £252.00 - SB 154
(x) £126.00 - SB 155
(xi) £294.00 - SB156
(xii) £84.00 - SB 157

135. These sums amount to £1,660.50, leaving £17,689.50 as the total sum found to be reasonably incurred and **£53.06 payable for 2023** by each Applicant in respect of estate management fees.

Management fees - £19,350.00 (2024)

136. Mr Young submitted that the invoices supplied for estate management fees in 2024 total £8,955.00. He fairly accepted that this was probably not the full amount incurred because the amount is so low. After some time was spent during the hearing checking the invoices, it emerged that

there are invoices exceeding £19,350.00. When the accounts adjustment figures are applied, the amounts tally within a very small margin of error. The Tribunal can be satisfied the sum was incurred.

137. As it is, the Applicants position is that £19,350.00 was unreasonable in amount. Mr Bailey responded that there was no comparison provided by the Applicants.

138. Mr Yalaju explained that there had been a change in managing agents during 2024 which involved a handover period. This explains some o the increase. In the absence of any comparator, the Tribunal exercises its own judgement to conclude that the amount is not unreasonable for an estate of this size. Therefore, **the sum for 2024 is allowed** with each Applicant's contribution at 0.3 % being £58.05.

Management fees - £20,801.00 (2025)

139. The Applicants say that the amount of £20,801.00 is unreasonable because it is a 7.5% increase on the previous year. Whilst the increase is above the rate of inflation, it is not so far above to be an unreasonable amount to budget. As an estimated figure, it is reasonable and **allowed**.

Playground facilities - £204.00 (2023)

140. This item was challenged by the Applicants as the playground was not opened until 2024. They say any costs before then are developer costs. Mr Yalaju explained that people began using the playground before it officially opened and this necessitated a health and safety risk assessment.

141. The lease provides for the inspection of Amenity Areas at paragraph 1 of the Sixth Schedule, which includes play equipment at paragraph 1(h). There is generic provision to recover any amount of Additional Contribution which the Landlord or Management Company reasonably consider necessary for any purpose within the Fifth and Sixth Schedules. The Applicants were bound by the covenants once their lease commenced or was assigned to them. It was not unreasonable to conduct a health and safety risk assessment if the playground was in use. In principle, there is contractual provision for this item subject to reasonableness within section 19(1) of the 1985 Act.

142. Invoices are supplied from a contractor of £66.00 for an inspection of the play area in April 2023, and another of £138.00 for an inspection in December 2023.

143. The amount is supported by evidence, and we accept the First Respondent's explanation as reasonable. We conclude that this item was

reasonably incurred and reasonable. It is **allowed in full** resulting in £0.61 being payable per Applicant.

D&O Insurance - £787.50 (2024)

144. Provision exists within the lease at paragraph 4 of the Sixth Schedule for the Management Company to effect insurance in respect of use of the Estate, and to recover the cost as part of the estate charge.

145. The Applicants queried whether this insurance cost was actually incurred. The First Respondent accepted that there is nothing in the bundles in support. Mr Yalaju thought it might be an apportionment of insurance that crosses different service charge years. Despite the Tribunal giving extra time over the lunch period for information to be located, the First Respondent could not locate anything to give an explanation.

146. In the circumstances, the Tribunal cannot be satisfied that this item was reasonably incurred. It is **disallowed**.

Application under section 20C, paragraph 5A and refund of fees

147. The Applicants applied for orders under section 20C of the 1985 Act and paragraph 5A of Schedule 11 to the 2002 Act along with a refund of the fees paid in respect of the application and hearing. The First Respondent resisted the applications on the basis that the Respondents would be entitled to recover their expenses.

148. We start by considering whether contractual provision exists within the lease for potential recovery of costs related to these proceedings.

149. The Third Schedule contains covenants on the tenant's part at paragraphs 2 and 4 to pay all costs and expenses incurred by the landlord and management company, respectively, or their solicitors in enforcing payment of the service charge or estate charges under the lease. The Fifth Schedule to the lease specifies the purposes for which the service charge is to be applied. At paragraph 10.1, it includes the costs incurred by the Landlord in the running and management of the block and collection of the service charge. Paragraph 10.5 provides for the recovery of costs, fees and expenses paid to any legal representative in connection with the provision of services set out in Schedule 5. The Sixth Schedule then provides for the purposes for which the Estate Charge can be applied. It includes at paragraph 18 any legal or other costs reasonably and properly incurred by the Management Company.

150. These lease provisions could potentially be used, as Mr Bailey so indicated, to recover the costs of these proceedings through the service charge or as administrative charges.

151. The First Respondent maintains that these proceedings could have been avoided if the information had been requested. That is a weak argument and contradicted by the evidence. From the email chains Mr Young plainly did request information from the management companies over a considerable period of time. He appeared to be met with resistance or ignored. The Applicants were left with little option but to instigate Tribunal proceedings to secure information that had been requested.

152. Taking into account our findings, the Tribunal determines that it is just and equitable in the circumstances for the requested orders to be made. In consequence, no costs incurred in connection with these proceedings before the Tribunal can be passed onto the Applicants through the service charge or by way of an administration charge.

153. The Applicants incurred an application fee of £110.00 and a hearing fee of £227.00. Whilst they have not succeeded on every point, many of the charges have been disallowed in whole or part. This primarily follows a failure by of the Respondents to explain or provide requested information to justify the charges. It took Tribunal proceedings to secure information and even then, it was incomplete. Having heard the submissions from Mr Young and Mr Bailey, and taking into account all the circumstances, the Tribunal finds it fair and just to award the Applicants the recovery of their Tribunal fees.

Name: Judge K. Saward Date: 11 August 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

Relevant legislation

Landlord and Tenant Act 1985 (as amended)

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 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.

Section 20C

(1) A tenant may make an application for an order that all or any of the costs incurred, or to be incurred, by the landlord in connection with proceedings before a court, residential property tribunal or the Upper Tribunal, or in connection with arbitration proceedings, are not to be regarded as relevant costs to be taken into account in determining the amount of any service charge payable by the tenant or any other person or persons specified in the application.

(2) The application shall be made—
(a) in the case of court proceedings, to the court before which the proceedings are taking place or, if the application is made after the proceedings are concluded, to a county court;
(aa) in the case of proceedings before a residential property tribunal, to that tribunal;
(b) in the case of proceedings before a residential property tribunal, to the tribunal before which the proceedings are taking place or, if the application is made after the

proceedings are concluded, to any residential property tribunal;

(c) in the case of proceedings before the Upper Tribunal, to the tribunal;

(d) in the case of arbitration proceedings, to the arbitral tribunal or, if the application is made after the proceedings are concluded, to a county court.

(3) The court or tribunal to which the application is made may make such order on the application as it considers just and equitable in the circumstances.

Commonhold and Leasehold Reform Act 2002

Schedule 11, paragraph 1

(1) In this Part of this Schedule "administration charge" means an amount payable by a tenant of a dwelling as part of or in addition to the rent which is payable, directly or indirectly—

(a) for or in connection with the grant of approvals under his lease, or applications for such approvals,

(b) for or in connection with the provision of information or documents by or on behalf of the landlord or a person who is party to his lease otherwise than as landlord or tenant,

(c) in respect of a failure by the tenant to make a payment by the due date to the landlord or a person who is party to his lease otherwise than as landlord or tenant, or

(d) in connection with a breach (or alleged breach) of a covenant or condition in his lease.

(2) But an amount payable by the tenant of a dwelling the rent of which is registered under Part 4 of the Rent Act 1977 (c. 42) is not an administration charge, unless the amount registered is entered as a variable amount in pursuance of section 71(4) of that Act.

(3) In this Part of this Schedule "variable administration charge" means an administration charge payable by a tenant which is neither—

(a) specified in his lease, nor

(b) calculated in accordance with a formula specified in his lease.

(4) An order amending sub-paragraph (1) may be made by the appropriate national authority.

Schedule 11, paragraph 5A

(1) A tenant of a dwelling in England may apply to the relevant court or tribunal for an order reducing or extinguishing the

tenant's liability to pay a particular administration charge in respect of litigation costs.

(2) The relevant court or tribunal may make whatever order on the application it considers to be just and equitable.

(3) In this paragraph—

(a) "litigation costs" means costs incurred, or to be incurred, by the landlord in connection with proceedings of a kind mentioned in the table, and

(b) "the relevant court or tribunal" means the court or tribunal mentioned in the table in relation to those proceedings.

Proceedings to which costs relate	"The relevant court or tribunal"
Court proceedings	The court before which the proceedings are taking place or, if the application is made after the proceedings are concluded, the county court
First-tier Tribunal proceedings	The First-tier Tribunal
Upper Tribunal proceedings	The Upper Tribunal
Arbitration proceedings	The arbitral tribunal or, if the application is made after the proceedings are concluded, the county court

Appendix 2

SCHEDULE OF DISPUTED SERVICE CHARGES

Case Reference: CAM/ 22UC/LSC/2025/0704

Property: 7-19 (odd) Legg Close, Braintree

Block costs - service charge year 2022

ITEM	COST	TRIBUNAL COMMENTS	TRIBUNAL FINDING
Cleaning	£619.97	R's evidence is inadequate	Disallowed
Fire/AOV/ emergency systems	£308.40	R's evidence is inadequate	Disallowed
Management fees	£1,008.00	R's evidence is inadequate	Disallowed
Reserve fund contribution	£600.00	Found	Allowed in full

Estate costs - service charge year 2022

ITEM	COST	TRIBUNAL COMMENTS	TRIBUNAL FINDING
General repairs & maintenance	£2083.40	Found in part	Allow £3.69 per Applicant (£1,232.40)
Garden maintenance	£9028.91	Found in part	Allow £16.15 per Applicant (£5,385.00)
Health & safety risk assessment	£618.00	Found in part	Allow £1.17 per Applicant (390.00)
Management fees	£15,918.05	Found in part	Allow £33.53 (£11,176.75)
Accountancy fees	£600.00	A's withdrew	Withdrawn
Bank charges	£1032.00	A's withdrew	Withdrawn
Company secretarial fees	£961.50	A's withdrew	Withdrawn
Transfer to reserve fund	£400.00	A's withdrew	Withdrawn

Block costs – service charge year 2023

ITEM	COST	TRIBUNAL COMMENTS	TRIBUNAL FINDING
Insurance	£1,330.79	Found in part	Allow £663.74
Electricity	£350.00	R's evidence is inadequate	Disallowed
Window cleaning	£115.46	A's withdrew	Withdrawn
Communal cleaning	£1,125.03	Found in part	Allow £562.52
Fire systems	£632.40	Found	Allowed in full
General maintenance	£504.50	Found	Allowed in full
Management fees	£1,161.76	Found in part	Allow £871.32
Reserve fund	£600.00	Found	Allowed in full
Additional reserve fund	£1,422.22	R's evidence is inadequate	Disallowed

Estate costs - service charge year 2023

ITEM	COST	TRIBUNAL COMMENTS	TRIBUNAL FINDING
Grounds maintenance	£14,427.09	Found in part	Allow £35.16 per Applicant (£11,722.00)
General maintenance	£1,564.87	Found in part	Allow £3.81 per Applicant (£1,270.87)
Management fees	£19,350.00	Found in part	Allow £53.06 per Applicant (£17,689.50)
Playground facilities	£204.00	Found	Allowed in full - £0.61 per Applicant
Accounts preparation	£150.00	A's withdrew	Withdrawn
Audit/certification	£762.00	A's withdrew	Withdrawn

Legal & professional	£1,032.00	A's withdrew	Withdrawn
Company secretarial fees	£1,030.00	A's withdrew	Withdrawn
H&S and risk assessments	£708.00	Conceded in part	Allow £1.06 per Applicant (£354.00)

Block costs - service charge year 2024

ITEM	COST	TRIBUNAL COMMENTS	TRIBUNAL FINDING
Insurance	£1,057.99	Found in part	Allow £730.11
Electricity	£450.00	R's evidence is inadequate	Disallowed
Window cleaning	£117.00	A's withdrew	Withdrawn
Communal cleaning	£1,176.01	Found in part	Allow £882.00
General maintenance	£135.00	Found	Allowed in full
Management fees	£1,161.76	Found in part	Allow £871.32
Reserve fund	£600.00	Found	Allowed in full

Estate costs - service charge year 2024

ITEM	COST	TRIBUNAL COMMENTS	TRIBUNAL FINDING
Insurance	£450.50	A's withdrew	Withdrawn
D&O insurance	£787.50	R's evidence is inadequate	Disallowed
Grounds maintenance	£15,859.98	Found in part	Allow £28.44 per Applicant (£9,480.00)
General maintenance	£2,313.64	Found in part	Allow £3.26 per Applicant (£1,088.44)
Management fees	£19,350.00	Found	Allowed in full - £58.05 per Applicant
Account preparation fee	£150.00	A's withdrew	Withdrawn

Audit certification fee	£858.00	A's withdrew	Withdrawn
Legal & professional fees	£39.60	A's withdrew	Withdrawn
Company secretarial fees	£1,000.00	A's withdrew	Withdrawn
Reserve fund	£400.00	A's withdrew	Withdrawn

Block costs - service charge year 2025

ITEM	COST	TRIBUNAL COMMENTS	TRIBUNAL FINDING
Insurance	£1,506.28	Found	Allowed in full
Electricity	£350.00	Found	Allowed in full
Water & sewerage	£100.00	A's accepted	Allowed in full
Window cleaning	£234.00	Allowed in part	Allow £150.00
Communal cleaning	£1,019.99	Found	Allowed in full
Refuse bins	£2,808.00	Conceded	Disallowed
Fire systems maintenance	£522.00	A's withdrew	Withdrawn
Door & emergency systems	£100.00	A's withdrew	Withdrawn
General maintenance	£1,424.40	Found in part	Allow £1,000.00
Reserve fund	£1,200.00	Found in part	Allow £900.00
Management fees	£1,249.00	Found	Allowed in full
H&S and risk assessments	£600.00	Found	Allowed in full

Estate costs - service charge year 2025

ITEM	COST	TRIBUNAL COMMENTS	TRIBUNAL FINDING
Insurance	£124.07	A's withdrew	Withdrawn
D&O Insurance	£458.74	A's withdrew	Withdrawn
Grounds maintenance	£25,806.00	A's withdrew	Withdrawn
General maintenance	£4,000.00	Found	Allowed in full - £12.00 per Applicant
Management fees	£20,801.00	Found	Allowed in full - £62.40 per Applicant
Audit/accounts certification fee	£600.00	A's withdrew	Withdrawn
Legal & professional fees	£288.00	A's withdrew	Withdrawn
Printing & postage	£627.50	A's withdrew	Withdrawn
Company secretarial fees	£1093.70	A's withdrew	Withdrawn
H&S and risk assessments	£384.00	A's withdrew	Withdrawn
Reserve fund	£500.00	A's withdrew	Withdrawn