



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

Case Reference	: HAV/00HH/LSC/2025/0782
Property	: 16-54 Ebdon Way, Torquay, Devon, TQ1 4FE
Applicant	: Rebecca Rushton – 28 (spokesperson) Lee Thornley and Jo Hemming – 20 Nigel Fowler – 18 Terence McCloskey – 26 Cathrine Delahoy – 24 Stephen Gaggini – 34 Mischa Lucas – 36 Megan Prowse – 44
Respondent	: Torre Marine Management Company Limited
Representative	: Mr Witcher, Counsel instructed by Property Management Legal Services Limited
Type of Application	: Determination of liability to pay and reasonableness of service charges Section 27A Landlord and Tenant Act 1985
Tribunal Member	: Judge Dovar Mr Ayres
Date of Hearing and Venue	: 13 th July 2026, Newton Abbot Magistrates' Court
Date of Decision	: 16 th September 2026

DECISION

Introduction and preliminary matters

1. This is an application for the determination of liability to pay and reasonableness of various service charges for the years April to March 2022-2025 and estimated charges for the year 2025-2026.
2. Directions were given on 27th March 2026 following a case management hearing. They provided for the Applicants to provide by 15th May 2026 their case by way of written submissions and a Scott Schedule, along with any documents on which they rely and any witness statement. The Respondent was to provide their equivalent documents by 5th June 2026 and they were directed to provide a bundle for the final hearing by 3rd July 2026. In default of the latter the directions provided that they would be debarred from taking further part in the proceedings without further notice.
3. The Respondent was given an extension of time to file their documents, but failed to do so until the last working day before the hearing. They therefore triggered the debarring order contained in the directions.
4. The Respondent then applied to adjourn the hearing on the basis that their witness was unwell. This was more than a little presumptuous given that not only had no witness statement been served, but they were debarred by reason of their default in filing a bundle.
5. The Tribunal required all parties to attend the hearing as listed. At the hearing the Respondent withdrew their application for an adjournment and the proceedings continued on the basis that the Respondent would be permitted to make submissions on the documents and their replies to the Scott Schedule which had very recently been provided; an approach sensibly accepted by the Applicants.

Property

6. The Property is a five storey block of 20 purpose built residential flats in Torquay built between 2007 and 2011.
7. It is one of a number of blocks on the Torre Marine Estate, managed by Plymouth Block Management with various communal areas, both estate and block.

Evidence

8. The Tribunal were provided with the following evidence in addition to the Scott Schedule referred to above.
9. Service Charge accounts for the Estate for the years ending 2023 to 2025, with the budget for 2026. There are 23 schedules to the accounts, covering each of the individual block expenses as well as estate wide communal areas and charges such as refuse and garage charges. The Applicants contribute to Schedule 1: Estate Areas; Schedule 2: Refuse Areas; and Schedule 6: 16-54 Ebdon Way.
10. We were not provided with most of the demands which underly the costs challenged. We have approached this matter on the basis that for the years for which there are accounts, we are concerned with the actual costs incurred. If we discount or disallow a cost in one of the schedules identified above, that should correlate to a reduction in the total sum payable by the Applicants for that cost of that year.
11. Witness statements were provided from the following applicant leaseholders: Megan Prowse; Terry McCluskey; Stephan Gaggini, and Rebecca Rushton.

12. We were also provided with a copy lease, various demands, a report on balconies from 2025 and a s.20 notice in respect of the balconies dated 3 January 2023.

Scope of the dispute

13. Despite the range of years set out in the application, the Scott Schedule provided by the Applicants did not raise any challenge in relation to the year end 2023.
14. Further a number of the challenges raised issues that were outside the scope of the Tribunal's jurisdiction and so have not been dealt with in this decision; such as a failure to convene general meetings, a lack of a reconciled hand over trial between managing agents, general deficits between budgeted and actual costs and substantial costs levied on other blocks on the Estate.
15. The Tribunal is concerned with what sums are payable by the Applicant leaseholders, and not with more intangible matters, save where they can be said to impact on the sum demanded by way of management fees.

Year end 2022

Electricity £11,966

16. The first issue was the figure of £11,966 for electricity incurred. However, this was for Schedule 10: 20 to 32 Edmonds Walk, not a schedule to which the Applicants contributed. The Applicants said they had raised it to highlight a concern that there were insufficient steps being taken to reduce costs. However, this is too general a point. As this was not a cost that had been passed to the Applicants, we do not consider that we need to make any determination on this.

A Deficit carry over of £11,738

17. The Applicants were concerned that a deficit from the previous year had been carried over into the 2022 costs. The Tribunal cannot deal with this without understanding the specific costs which have given rise to this deficit, of which the Applicants did not provide any details.
18. The Respondent contended that in fact this again related to the Schedule 10, and predominantly as a result of the electricity costs. The accounts support that view as that figure appears in the deficit for the year for Schedule 10. We therefore make no determination on this item as it has not been demanded from these Applicants and it is not intended to make any demand in respect of this.

Other Deficits

19. Three further deficits for Schedules 1, 2 and 6 were identified by the Applicants and challenged. Whilst these are potentially relevant in that they focus on the schedules to which the Applicants contribute, no specific challenge was made to any item giving rise to the deficit and so the challenge is not made out. The mere fact of a deficit is not of itself a cause for disallowing costs, indeed it would be surprising if there were not some surplus or deficit each year given that it would be remarkable if the estimated costs correlated entirely with the actual costs incurred.

Other Challenges for the year end 2022

20. The Applicants raised a number of points in their Scott Schedule which did not engage our jurisdiction. This involved issues with the reserve funds and with the hand over between managing agents.

Year end 2024

21. Similar issues arise, as with previous years, in relation to the challenges to the year end 2024. Save that in relation to the challenge to the deficit, there is an additional issue that sums that the landlord sought

to recover by way of a deficit demand fell foul of the limitation imposed by s.20B of the Landlord and Tenant Act 1985.

Section 20B

22. A deficit demand was only made 13th February 2026 for the accounting year ending 31st March 2024. Therefore all the deficit sums had been incurred more than 18 months before the demand was made; i.e. prior to August 2024. As a result, those sums are not recoverable given the time limit for making demands contained in s.20B.
23. The total demand was £8,698.39. The Respondent accepted that some of the costs would be irrecoverable because of s.20B. They offered as a practical solution a reduction of 50%. Given the timing of the demand, none of the deficit sum is recoverable and the total amount is disallowed.
24. The accounts for that year show that for schedule 6, the significant deficits arose from lift maintenance, which a deficit of £9,976.25 and electricity with a deficit of around £2,000.
25. Fortunately the bundle contained details of the expenditure for that year. It was clear from that document that all of the expenditure in relation to the lift had been incurred prior to the cut off date of September 2024.
26. In respect of the electricity, it is not clear when any of the cost had been incurred.
27. Given that the deficit exceeded the sum demanded, the Tribunal disallows the total demand of £8,698.39 on the basis that it is out of time under s.20B(1) and that sum incorporates a substantial part of the lift and electricity costs.
28. Related to the previous point, the Applicants challenged the costs of the lift works for this year, which were £11,717.88. It was said that the lift issues were longstanding and well known and that costs had increased

with no evidence of planning or consultation. There was no warning of the cost, they just received a bill on their residents' portal.

29. The budget for the year for lift expenditure had been £1,741.63. The actual cost was said to be £11,717.88. Given the failure to make the deficit demand in time, a significant amount of those costs has already been disallowed, so that in fact, the Applicants will only have paid around £2,000 for the lift works.
30. As with the lift costs, there was an overspend in respect of electricity compared to budget of around £2,000. The Applicants challenged this uplift, but this issue has also been effectively dealt with by reason of the decision on the deficit demand for this year.
31. The tribunal considers that given the deficit demand has been disallowed, this deals with the Applicants' complaint as to the overspend on these works.

Cleaning

32. Cleaning was challenged as being almost double the budgeted amount. We do not consider that this of itself is a reason for disallowing the cost. It was simply under budgeted.

Insurance

33. Insurance was challenged as being increased without any evidence of tendering or being benchmarked. However, the accounts did not show this to be the case, in fact it had reduced from the previous year from around £6,500 to £2,500.

Management Fees

34. In the Estate Schedule these had increased from around £11,000 to £42,000. That magnitude of increase did call for some explanation. The Respondent said the rise was due to a change in allocation of these fees between the schedules. It had been moved from block to estate. This was reflected in the accounts which showed that for Schedule 6,

this had moved from £4,210.43 to nothing. Indeed the other block schedules showed the same movement. This therefore does not of itself call for any further explanation or reduction in the sum claimed.

Reserves

35. The sums set aside for reserves was queried on the basis that it was not understood what they were used for. Having expressed that, the Applicants conceded that this was more an observation than a challenge. The sums demanded by way of reserves did not seem to be out of kilter for a property of this type.

Year end 2025

36. The Respondent accepted that they had overcharged on the deficit demand for this year and agreed to adjust the accounts. They had charged £8,896 when in fact it was only £8,573.32.
37. In respect of reserves, the same applies here as it did to the previous year.
38. The Applicants also raised a challenge on the basis that overall there was a significant deficit. As stated above, that alone is not sufficient to make a challenge to the payability of the service charges.

Insurance

39. The insurance had increased significantly this year from around £2,500 to around £8,500. This significant rise called for an explanation. None was given. It was said that the Respondent was pursuing the freeholder for an explanation. That of itself was telling in that it amounted to an acknowledgement that an explanation was required. As we say, none has been given to us though and as a result given the unexplained increase, we consider that only a sum of £3,000 is allowable, being closer to the previous years, but allowing for some adjustment upwards.

Cleaning

40. The Applicants were concerned that the costs had increased for cleaning, whilst there was an under budgeting for this sum, in fact they had reduced to £2,822.78 from £2,283.58 the year before and are allowed.

Electricity

41. The Applicants challenged this on the basis that there was an increase over budget. That of itself was not sufficient to call the charge into question. As with cleaning, whilst the Respondent had underbudgeted with £1,065.00, there had actually been a reduction in costs incurred to £2,590.70 from £3,177.20 the previous year. These costs are allowed.

Balcony Works

42. The Respondent notified that these charges had been withdrawn and therefore did not fall for determination.

Lift Works

43. The Applicants were concerned that the Respondent had to have recourse to seeking dispensation in relation to emergency lift works, rather than being pro-active on maintenance. For this year, the costs of the lift works were significantly less than the previous years and were roughly in line with the budget. We therefore do not consider any adjustment should be made. There was no evidence before us that any cost had been incurred or increased due to a neglect of the lift. The sum of £2,853.60 is therefore payable.

Reserve Fund Contribution

44. The Applicants also challenged the reserve fund contribution claimed of £525. The lease contained a wide reserve fund provision at paragraph 8 of the Third Schedule. There was nothing obviously of concern in relation to this provision and the sum is allowed.

Management Fee

45. There had been a complaint to the Property Ombudsman in relation to the managing agents. That had been upheld for repeated failure to answer questions and for not holding AGMSs. The fact that the Applicants were so excised by the agents conduct that they referred the matter to the ombudsman and the upholding of their complaint are significant factors. This was compounded by the failure to carry out external decorations and to properly address the works that were required for the balcony. In light of that we consider that a deduction is warranted and reduce the fee by 25%, from £47,523.00 in total to £35,642.25.

Year end 2026

46. The challenges for this year were matters that were outside of our jurisdiction. They related to a concern over unexpected demands, a failure to utilise reserves, significant arrears of payment and unreconciled accounts. Whilst there was also a challenge to the management fee, this was a budgeted cost only and so at this point in time is not subject to consideration as to the standard of service provided. As a budgeted item, we consider the cost was reasonable.

Conclusion

47. We have therefore made a number of adjustments to the service charges that are payable as set out above. The Applicants have had some success and their frustration at obtaining answers from the Respondent is borne out not only by the Ombudsman, but also by the Respondent's poor conduct in relation to complying with directions for these proceedings. Accordingly, we will make an order under s.20C of the 1985 Act prohibiting any costs of this application from being recovered under the service charge and we also order the Respondent to reimburse the Applicants their application and hearing fee (in total £341) within 28 days.