



FIRST-TIER TRIBUNAL
PROPERTY CHAMBER
(RESIDENTIAL PROPERTY)

Case Reference : HAV/43UM/LSC/2025/0801/HP

Property : 3 Broadoaks Park Road, West Byfleet,
Surrey, KT14 6FE (“the Property”)

Applicants : Clara Westbrook

Representative : Aaron Alexander

Respondent : Broadoaks Park Management
Company Limited

Representative : Martin Horne, Counsel instructed by Carbon
Law Partners, Solicitors, One Temple Way,
Temple Back E, Bristol, BS1 6DZ

Type of Application : Application to determine whether certain
service charges are payable and if so are
reasonable in amount Section 27A Landlord
and Tenant Act 1985

Tribunal Members : Judge H Lederman
P Cliffe-Roberts FRICS, FRGS, MCI Arb

Date of Hearing : 28 July 2026

Date of decision: : 16 September 2026

DECISION AND REASONS

Communications to the Tribunal MUST be made by email to rpsouthern@justice.gov.uk. All communications must clearly state the Case Number and address of the premises.

DECISION

- 1.1 The amount payable and reasonably incurred as service charge in respect of cleaning of the gutters at the Coach House part of the Broadoaks Park Development for the year 2022/2023 is £420.00 of which the one sixth share payable by the Applicant is £70.00.
- 1.2 The amount payable and reasonably incurred as service charge at the Coach House part of the Broadoaks Park Development for the year 2023/2024 is £8241.00.
- 1.3 The management fee element payable for service charge at the Estate as a whole at the Broadoaks Park Development for the year 2024/2025 is £21,367.50 (being an increase from the 2023/2024 management fee of £20,625.00 by the change in the retail prices index of 3.6%).
- 1.4 The amount payable and reasonably incurred as service charge for Management fee for the Coach House element of the Broadoaks Park Development for the accounting year 2024/2025 is £600.00 (£720.00 less £120.00).
- 1.5 The amount payable and reasonably incurred as service charge for cleaning charges for the Coach House for the accounting year 2024/2025 is £2729.86 (£2,635.00 plus 3.6% uplift).
- 1.6 The amount payable as service charge for communal landscaping expenditure (described as gardening in the service charge accounts) at the Broadoaks Park Development for the accounting year 2024/2025 is £107,718.00 (£111,318.00 less £3600.00).
- 1.7 The additional levy of £500.00 proposed in the managing agents letter of 13th April 2026 [356-357] as service charge for the accounting year 2025/2026 is not payable if demanded as payment for service charge costs of unsold dwellings at the Broadoaks Park Development held by the developer or landlord or its successors in title.
- 1.8 The Respondent shall reimburse the Applicant £341.00 (being the application of £114.00 and the hearing fee of £227.00) within 14 days of the date of this Decision.
- 1.9 None of the management or legal costs of these Tribunal proceedings shall be relevant costs for the purpose of service

charges to the Applicant pursuant to section 20C of the Landlord and Tenant Act 1985 (“the 1985 Act”).

- 1.10 No litigation costs of or associated with this application may be charged to the Applicant under paragraph 5A of Schedule 11 to the Commonhold and Leasehold Reform Act 2002 (“the 2002 Act”).

REASONS

Introduction and Participants

1. The Applicant is a leaseholder of the Property, a ground floor apartment forming part of a building known as the Coach House on a development and Estate known as Broadoaks Park. The development arose out of the partial demolition, restoration and conversion of Broadoaks House to create two dwellings, the partial demolition, restoration and extension of the Coach House to creating six apartments, the restoration and reuse of the two Lodge Houses as independent dwellings, the restoration of a Model Dairy and the restoration of two summer houses. At the date of the hearing, 106 dwellings had been constructed on the development as a whole and the completion of 20 other additional dwellings was due to be finalised. The Respondent's skeleton argument suggested that the 20 dwellings had been built. It is common ground that those dwellings had not been sold to third parties by the landlord (who was the developer), so that the landlord an Octagon company or its receivers remained liable for service charges that were payable in respect of those dwellings at the Estate.
2. On 23rd September 2021 the Applicant was granted a lease of the property for a term of 999 years from the 1st January 2020 (“the Lease”). As is standard in many such schemes, the Lease imposed duties upon a management company to arrange management and granted rights to collect service charges and similar funds for that purpose. The landlord, a developer and company in the Octagon group of companies (“Octagon”) fell into administration in early 2025 and receivers were appointed over its interest in the development on behalf of lenders. The Eighth Schedule to the Lease required the Applicant to pay Service charges described as maintenance charges in 4 equal instalments and separately to pay service charges described as “estate maintenance charge” and “Coach House maintenance charge”.
3. On 12th November 2019 Octagon appointed Nightingales Chancellors as managing agents for the purposes of managing the Estate and demanding service charges. Nightingales appears to have been a trading name or part of a managing agent known as Trust Property Management Limited trading as Trust Premier. Following the appointment of receivers to Octagon at some point in late 2024 or 2025, Broadoaks Park Management Limited took over management of the Broadoaks Park Estate under the Lease and other properties on the development. The Respondent's Statement of Case and evidence in response to

this application has largely been conducted through Trust Property Management and its solicitors in its capacity as property manager for the Property.

4. This application was made for determination of liability to pay and reasonableness of service charges for the years 2021 to 2025 on 24th October 2025. A Case Management and Dispute Resolution hearing took place on the 24th April 2026 which was attended by Aaron Alexander on behalf of the Applicant. The Respondent did not attend. It appears no explanation was given for that non-attendance. Case management directions were issued by the Tribunal on 27th March 2026 which required among other things the Respondent to send the relevant documents relied upon and witness statements and representations on costs by 19th June 2026.
5. The Respondent's statement of case of 19th June 2026 at pages [55 to 58] said that in August 2025, the Respondent's previous solicitors LMP Law, were instructed to begin legal action against the Applicant for unpaid service charges from 2025. It was said that a letter before action was sent on the 14th August 2025 to the Applicant. The Applicant initially instructed solicitors CBG Law who indicated that there was a dispute about the amounts due. The Respondent's statement of Case states LMP Law ceased trading on 31st October 2025 and subsequently went into administration. That was repeated in a skeleton argument on behalf of Respondent submitted at the hearing. The Respondent then instructed Carbon Law Partners a firm of solicitors who sent notice of change of legal representative to the Tribunal on 30th April 2026.
6. The Applicant was represented at the hearing by Aaron Alexander, her husband who described himself as having some knowledge of legal proceedings. The Applicant is described in correspondence as Founder and Senior Lawyer at a company providing data protection services and was said by Mr Alexander to be a qualified solicitor. At the hearing on 28th July 2026 the Respondent was represented by Martin Horne of Counsel instructed by Carbon Law Partners Solicitors. Unfortunately, Mr Horne appears to have been instructed very late in the day and his skeleton argument and schedule of sums in issue were only made available on the morning of the hearing.
7. There was no attendance by the individual described as the property manager at Trust Property Management Jigar Savlar who signed the statement of truth in the Respondent's statement of case. Jigar Savlar is also the author of much of the email correspondence sent by Trust Property Management to the Applicant and other leaseholders found in the hearing bundle. No explanation was given for the absence of any live evidence or the non-attendance of Jigar Savlar at the hearing. No evidence was tendered by the Respondent or by the management company which has in practice been responsible for management of the Estate since late 2024 Broadoaks Park Management Company Limited. Neither party sought an adjournment of the hearing which had been listed for some time.

8. At the outset of the hearing, the Tribunal Judge drew attention to the fact that Martin Horne the Respondent's Counsel was practising in the same set of Barristers' chambers as the Tribunal Judge, who sits part time as a fee paid Tribunal Judge. It was explained that the Tribunal Judge to his knowledge had no previous contact with Martin Horne, given the size and nature of the Chambers. It was also explained that the Tribunal Judge did not know that Mr Horne was due to represent the Respondent but did not see this fact as an impediment to the hearing proceeding. Aaron Alexander was asked if he had any objection to the hearing proceeding in the light of that information, if he wished an adjournment to consider things further or wished an alternative Tribunal to be sought. Aaron Alexander and Martin Horne each indicated they were happy for the hearing to proceed on the basis of that disclosure.
9. The hearing took place at the Civil Justice Centre in Havant. The Applicant prepared a detailed Statement of case/position statement found at pages [33 to 53] of the bundle and contained a statement of truth signed by her on the final page. However, she did not attend the hearing to give evidence and was not available for cross examination. No explanation was given for her absence but she had given written authority for Mr Alexander to attend in her place. The Tribunal was able to ask Aaron Alexander questions arising from the Applicant's case and the Respondent's Counsel did the same in the course of the hearing.

Documents before the Tribunal

10. The Tribunal and the parties had the following documents : hearing bundle of 487 pages; skeleton argument and Schedule prepared by the Respondent's Counsel produced at the hearing. The Tribunal referred to a coloured schematic plan of the development on page 341 of the Bundle and a photograph of the development which the parties were shown during the hearing.
11. References to page numbers are to that hearing Bundle, unless stated otherwise.

The issues

12. On 10 June 2026, the Applicant signed a document described as a consent order in these proceedings which listed seven "Principal issues for determination at the final hearing" (pages[30-31]). That helpful and constructive agreement meant the Tribunal used that consent order as a structure for determining the application. Other issues listed in the application form of October 2025 were accordingly not the subject of this determination.

Inspection of the premises.

13. Neither party requested the Tribunal to visit or inspect the premises. The Tribunal decided this was not necessary to determine the case fairly and justly.

The Tribunal's jurisdiction and powers

14. The Tribunal's role is governed by sections 27A and 19 of the 1985 Act. In very broad terms these provisions require the Tribunal to decide several questions. Firstly, whether a particular service charge cost is authorised by the terms of the Lease. Secondly where a service charge cost has been incurred or paid, whether that cost was reasonably incurred. Thirdly the Tribunal can decide whether works or services charged to service charge have been provided to a reasonable standard. There are also separate statutory requirements for consultation for certain types of "qualifying" works that are charged to service charge which lead to each lessee being charged £250.00 or more for particular works, which if not complied with, limit the cost of those works or services recoverable as service charge. They were not relevant in this case.
15. These statutory provisions have been considered by higher Tribunals and Courts. Guidance has been provided in case law, which this Tribunal is required to follow, where it is relevant. Initially, where works have been carried out, and charged as service charge the Tribunal is required to consider whether the landlord's decision to carry out works was objectively rational taking into account the interest of the lessees who would be paying for the works.
16. There is a different statutory regime, where the Tribunal is asked to consider the reasonableness of service charge costs invoiced in advance of the services and works being carried out. This sometimes arises in the context of a budget for estimated service charges to be paid for the following service charge year or years. The Tribunal is required to consider whether the sums asked to be paid in advance are authorised by the lease, and then to consider whether the amounts demanded in advance are reasonable. The Tribunal is required to take into account all relevant circumstances as they existed at the date of the hearing, giving such weight to the various factors as it considers just and reasonable. That said, the Tribunal will not usually substitute its views for estimated service charges unless there is particular reason for believing that the amount requested in advance is not reasonable.
17. It has recently been confirmed where a landlord, or as in this case a management company, claims payments of service charges. It will not, unless issue is taken, have to justify each and every element of the service charge claimed. The landlord is only required to prove those particular elements of the cost claimed as service charge were reasonably incurred or incurred to a reasonable standard if the tenant is able to establish a "prima facie" case about those issues. As explained in the hearing, the Tribunal does not have jurisdiction to order a "refund" of any monies charged or paid, as its task is primarily to declare the amount payable as service charge.
18. The above summary is intended as a general outline for those who may read this decision who may not be familiar with legal concepts or terminology.

Structure of these reasons

19. In these Reasons where narrative, facts or descriptions are recited, they should be treated as the Tribunal's findings of fact unless stated otherwise. These reasons address in summary form the key issues which the Tribunal considers it necessary to determine consistently with the overriding objective. The omission to mention a particular argument or question canvassed should not be taken as acknowledgement it was not considered.

Cleaning of the gutters and hedgehog brushes for the accounting year 2022/2023;

20. The Applicant's case is the contractor for this work quoted £420.00 to clean the gutters in the Coach House. The Applicant refers to Appendix 9 on page [240]. She alleges the contractor failed to clean the gutters, instead removing the hedgehog brushes from the gutters and taking them away informing Trust Property Management that they were rotten. The Applicant's statement of case says Trust Property Management then explained "on the phone" to the Applicant that the hedgehogs needed to be replaced at a cost of £1,000 which the Applicant and other residents of the Coach House complained about. See Appendix 10 – pages [242-248]. The Applicant says the hedgehog brushes were returned and reinstated the same week, and the Applicant stated that she would not pay for the service. However, the year-end accounts record a charge of £912 under "Drains" - see (Page 5) Appendix 4 – page [225].
21. The Respondent through Trust Property Management accepted that the hedgehogs were removed without their agreement or consent. Trust Property Management says it ensured they were returned in place that same day. The Respondent accepts the invoice for the guttering was £420.00 but accounts show £912.00. The Respondent attributed this to an error of the accountants who accidentally combined this with a different invoice for CM Fire contractors under "drains". The Respondent says there was no increase in cost for the guttering work. The invoices for the cleaning of the gutters and hedgehog brushes for the accounting year 2022/2023 were at Appendix 4 – [page 117]. In response, the Applicant stated that the credit had not been demonstrated. The Applicant asks the Tribunal that the Respondent refund the Applicant £912.00 as the charge was not reasonably incurred and the Respondent "admitted errors in their accounting and failed to show invoices from CM Fire and security for £912."
22. The Tribunal asked Aaron Alexander about whether he had any evidence to support the assertion that the works to the gutters were not carried out to a reasonable standard, particularly since the Applicant occupied a ground floor apartment. Neither Mr Alexander nor the Applicant appeared to have inspected the guttering. They did not produce any photographs or other evidence to suggest that the works to the gutters were not carried out to a reasonable standard. No witness statements were provided about this issue from other residents. The gist of what is left of the Applicant's case on this issue is that the hedgehogs should

not have been removed. The Tribunal is satisfied on the balance of probabilities that the only amount charged for these works was £420.00, and this work was necessary and the cost was reasonably incurred.

Coach House budget versus expenditure for the accounting year 2023/2024;

23. The Applicant said the anticipated charges for 2023/2024 showed a Coach House budget of £9,118, (Appendix 12, Schedule 3 – page [256]). The final accounts, however, showed Coach House expenditure of £8,241.00 (page 3, Coach House) Appendix 11 – page [252], a difference of £877. The Applicant’s individual account statement shows that she was charged £1,657.85 for the 2023/2024 service charge year. See Appendix 8 – page [238]. The Applicant suggests that if similar sums were collected from all 6 Coach House apartments, this would indicate total contributions of £9,947.10. against final Coach House expenditure of £8,241.00, a difference of approximately £1,706.10. If that difference had been returned or credited equally to the 6 Coach House apartments, it was said the Applicant’s share would have been approximately £284.35. However, the Applicant says her account statement for 01/04/23 to 31/03/24 showed balancing credit of £67.20. The emails show Aaron Alexander called the accountant to Trust Property Management, believing it was £877 that was the correct credit [288-289].
24. Aaron Alexander says that accountant confirmed verbally that the £877 funds had been spent on the wider Estate. The Respondent and Trust Property Management dispute that this is what occurred. Trust Property Management say the credit was spent on the Coach House. Neither Aaron Alexander nor the Applicant were able to produce evidence to support their assertion that the balance of the credit was spent on the wider estate costs. There was no evidence confirming Aaron Alexander's understanding of a telephone conversation with an accountant or that the balance was applied to the wider estate costs. The Tribunal is unable to determine what was said in the conversation with the accountant, but is required to reach findings as to service charges payable. On the available evidence on the balance of probabilities, the amount payable and reasonably incurred as service charge for the Coach House at the Broadoaks Park development for the 2024/2025 accounting year was £8241.00 as recorded in the relevant accounts.
25. Had it been necessary to do so, the Tribunal would not have been persuaded by the Applicant’s argument that applying any balance or credit of sum charged on account for the Coach House to another category of expenditure was in breach of paragraph 1.4 of the Eighth Schedule, This prohibits the application of “reserves” held from one category maintenance expenditure to another. The Tribunal reads this provision as prohibiting the use of service charge monies collected or allocated as “reserves”. The sums were demanded here were monies on account of expenditure . They were not allocated or demanded as reserves.

Management fee increase for the Estate for accounting year 2024/2025

25. The Applicant notes the Managing Agent's fee increased from £20,430.00 (2022/2023) Appendix 5 - to £20,625 (2023/2024), See (Page 3) Appendix 11 – page [252] representing an uplift of approximately 0.95%. The Applicant accepts this increase was in line with the RPI in the managing agent's terms of appointment in November 2019 "Annual Rate Review Date" Appendix 27 – page [308]. For 2024/2025, that fee increased to £22,690.00 said to represent an uplift of approximately 10.01% which the Applicant says does not reflect RPI. The Respondent's explanation was "management fees are determined by the Developer, and they increased the management fees marginally to cover inflation.". Mr Horne was unable to provide any further detail about the reason for this increase despite the Tribunal's invitation to do so. This response does not answer the point about the contractual terms upon which the managing agent agreed to act. The Respondent did not provide any evidence to suggest that the additional fee in excess of the uplift for RPI had been reasonably incurred or additional costs had been incurred.
26. On 19th February 2025, Trust Property Management entered into a new management agreement with Broadoaks Park Management Company Limited for a term of 12 months from the date of that agreement: see [478-486]. As the accounting year runs to 31st March 2025, this agreement would not materially affect the sums charged for the Managing Agent's fee for the Estate for the 2024/2025 year. Neither Mr Horne nor the Respondent sought to argue this was relevant to this increase in February 2025. The Applicant drew attention to the fact that she believed Octagon entered administration on 17th December 2024 and that it was believed there was no written agreement with Broadoaks Park Management Company Limited until some 63 days later. It was common ground that Trust Property Management continued to manage the development until the new agreement in February 2025. The Tribunal did not think this point was relevant to the level of increase of the management fee for the accounting years 2024/2025.
26. The Tribunal is not satisfied that any management fee in excess of the annual increase in RPI from the 2023-2024 fee was reasonably incurred. There was no evidence of market testing or of other attempt to ensure the fee represented a reflection of an increase in costs for example. There was no evidence as to how the outcome of any increase might impact upon leaseholders. It is not sufficient to show that the decision to incur the increased cost may have been rational. The suggestion that the developer "determined" the management fee was not explained in the evidence, let alone justified. The amount payable as management fee for service charge for the estate as a whole for 2024/2025 is £21,367.50 being an increase from 2023/2024 management fee by the increase in the Retail Prices Index of 3.6% (the figure contended for by the Applicant at [174]).

Management fee for the Coach House for the accounting year 2024/2025;

27. The Applicant says for 2024/2025 Trust Property Management failed to act when requested by the leasehold owners of the Coach House to change cleaning contractors leading to the leaseholders doing so and Trust Property Management charged the Coach House £720 for their services: Appendix 20 – page [283]. The Applicant contended the management fee for the Coach House for 2024/2025 is not payable, or alternatively should be reduced to reflect the services provided, and asks that any overpayment be credited or repaid. This head of challenge should be considered alongside the next head of challenge.
28. In 2024/2025 Trust Property Management arranged for a firm of Cleaning contractors to be engaged (Palazzo) for cleaning of the Coach House common parts. The sums ultimately charged for this accounting year for this cost came to £6,655.84. The budget or estimated costs for this head of expenditure at the beginning of that year was £1500.00: see the estimate at [277]. The services of those contractors were terminated by the Applicant on behalf of leaseholders of the Coach House in April 2025. It transpired those cleaning contractors were owed (or claimed to be owed) £2067.95 or £2815.00 by way of overdue invoices for their services: see the emails from the contractor at [295] and [293]. The Respondent and its agent Trust Property Management, did not provide any substantive explanation for non-payment of those contractors' invoices, for appointing cleaning contractors without consultation with the leaseholders of the Coach House, or for failing to disclose the arrears position and unpaid invoices until asked to do so by request under sections 21 and 22 of the 1985 Act. The Nightingales' letter of 13th April 2026 at [356] suggests the failure of Octagon to make service charge payments in respect of 20 unsold properties at the Estate since May 2024 may have created cash flow problems. However, the Respondent's evidence from Mr Savla does not say this was the reason for the arrears, non-payment of invoices. Nor do cash flow problems by themselves fully explain the engagement and non-payment of contractors at rates which appeared to be at or above market rates at the higher end of the market. The Respondent's failure to provide any explanation of the increased charge or the overall sum claimed for this head of costs suggests that the standard of service provided for management of the Coach House was below that which could reasonably be expected. The Tribunal is not satisfied that the Applicant's share of the management fee *for the Coach House* for this service charge year was reasonably incurred or the service was to a reasonable standard. The Applicant's one sixth share of this management fee (£120) is not payable to reflect this.

Cleaning charges for the accounting year 2024/2025;

29. The accounts for this period record total cleaning costs of £6,655.84 at Appendix 20 – page [283] which the Applicant contends is far greater than what would be reasonable to clean a hallway and stairs in a six flat Coach House. The Applicant say this works out at £207 a week for thirty minutes or £831 a month. The Applicant asserts Trust Property Management failed to pay the cleaning contractors on time and over a number of years these charges have been added to the Applicant's account for the year 2025/2026. The breakdown of these costs is at Appendix 50 – page [391]. The Applicant contends the entries include

repeated monthly charges of £415.99, instances where months appear to be duplicated (two entries for June 2024 at a cost of £415 a month) and a number of accrual entries recorded at year end).

30. The only response to these points made by Trust Property Management on behalf of the Respondent was to point to the invoices for the cleaning charge at pages [119 to 126]. No evidence was adduced as to how these cleaning contractors were selected, their specification or of any market testing for these costs.
31. For the previous accounting year in respect of the Coach House, the cleaning costs were £2635.00 - see page [283]. For the service charge year ending 2023, the cleaning costs recorded in the accounts were £3248.00 – see page [252]. The Respondent's Statement of case and evidence did not engage with these issues. Mr Horne was unable to assist the Tribunal about this issue. The Tribunal elicited that the Coach House common areas requiring cleaning included a hallway, stairs, a hall and 1st floor, a ground floor (tiled), stairs in the laundry area (carpeted) and windows including a ground floor archway. Doing the best that it can on the limited evidence available the Tribunal concludes reasonably incurred cleaning charges for the Coach House for the year ended 31st March 2025 were £2635.00 plus 3.6%. The Tribunal recognises that the increased cost of £6656.00 for cleaning charges for year ended March 2025 might include accruals from previous years. It would not have been safe to so conclude in the absence of evidence about the way in which those accounts had been prepared or the reason for the increase in costs which appears to have been brought about by the use of these cleaning contractors. There was no evidence about accruals or why payments for these costs from earlier years were not made in those years.

Communal landscaping expenditure for the accounting year 2024/2025

32. The Applicant challenges this cost on the ground that Trust Property Management increased the price of the gardening on the area in the development known as Phase 4 from £250.00 a month to £500.00 per month as notified in the letter of 7th March 2025 Appendix 34 – page [336]. This part of the challenge largely relates to the accounting year 2025-2026 so the proposed increase is not relevant to the reasonableness of the cost for 2024-2025. The Tribunal turns to consider the Applicant's other part to this challenge.
33. Photographs of the area are at pages [343 -352]. This area is relatively small part of the Estate and overall areas for which gardening and landscaping works is required. The Applicant contended this area that had had no attention, either before or after the increase and the plants and shrubs are dead or dying.
34. The Respondent's evidence about this is sparse. In the Schedule prepared by Mr Horne it is simply said the invoices for communal landscaping for accounting year 2024/25 can be found at Appendix 6 – pages [128-171]. The invoices for this area Phase 4 area were at various pages including [155, 159, 167- and 169-171]. Those invoices provide virtually no information about the nature of the work

carried out or the specification or work required. The strip of land in part of Phase 4 requiring landscaping seems modest in size and the plants and landscaping did not appear especially well maintained. The Applicant through Mr Alexander did not challenge the fact that other areas in the Estate had been maintained by the gardening contractors. On the limited evidence available the Tribunal is not satisfied that the gardening costs for the Phase 4 area were reasonably incurred or the works was carried out to a reasonable standard for this service charge year. The £250.00 plus VAT cost for this item is accordingly not payable.

The £500 additional levy to be charged under the terms of the Lease for the accounting year 2025/2026;

35. The Applicant refers to Trust Property Management's letter of 13th April 2026 [356-357] to leaseholders and owners proposing a one-off payment of £500 from each homeowner to cover a shortfall in Estate funding arising from unpaid contributions attributable to properties and controlled Estate retained by Octagon its administrator or receivers. The letter states that the shortfall relates to unpaid service charge contributions following the developer entering administration and that the payment is required to "bridge the delay in income" and cover contractor liabilities. The Applicant refers to the Thirteenth Schedule, paragraph 1 [204] of the Lease requiring the Landlord to contribute to service charges in respect of "unconstructed or otherwise unsold" dwellings.
36. The Respondent accepts that such a proposal was made and that there is need to charge such a sum as there were several outstanding invoices (for gardeners and unbudgeted tree works) that needed to be paid, all of which fall within the expenditure allowed within the Lease, and "payment was sought from the residents in accordance with the lease". Mr Horne and the Scott Schedule were unable to draw attention to the relevant paragraphs in the Lease which might justify the ad hoc nature of this demand or the basis for such a demand.
37. Mr Horne was correct to note that strictly this challenge did not concern the service charge year 2024/2025 as it was a demand for a payment on account for the Service Charge Year 2025 /2026. It is too late for such an objection to prevail. This issue was expressly agreed to be the subject of the Tribunal's determination in the consent order in June 2026 at [30-31]. It is likely that this £500 is included in the figure for disbursements under "Schedule 1" as set out in the statement of anticipated service charge expenditure for account year 2025 /2026 at pages [376-377]. It is clearly in accordance with the overriding objective for this issue to be determined. The Respondent's agent was on notice of the issue and attempted to respond to it. If the £500 was to be demanded on the basis of the explanation given by Trust Property Management at present it would not be payable under the terms of paragraph 1 of the Thirteenth Schedule of the Lease as it appears to relate to costs attributable to the unsold units on the Estate held in the name of the Octagon company which was the landlord.

38. In addition, the Respondent has failed to demonstrate that the additional levy was (or is) a cost reasonably incurred as payable by the Applicant and what steps had been taken to secure payment from the receivers or administrators. The Tribunal appreciates that seeking payments (including service charges) from companies in administration is not always straightforward. The Nightingales letter of 16th December 2025 at [372] provides the following narrative:

“The latest developments concerning the completion of outstanding works on Broadoaks are that the Receivers have informed us that they are in the final stages of appointing a contractor to carry out and complete all remaining works, with a projected timeline for full completion between August and October 2026. Once these works are finished, the estate and the management company will be formally handed over to you. The receivers have recently provided assurance that they will cover Octagon’s outstanding share of the service charges during the interim period. However, we have yet to receive these funds”

This passage by itself does not explain why if an assurance of funds had been provided, the funds were not available, could not reasonably be made available or whether it was reasonable to require the service charge fund to finance any interim shortfall (as opposed to Octagon’s lenders borrowing or making the funds available for example). The absence of evidence about the process by which the need to make such a demand was made, means the Tribunal cannot be satisfied the cost was reasonably incurred.

The Applicant’s request for an order that none of the costs of these proceedings should be charged to service charge

39. The Tribunal’s directions indicated this issue would be determined at the conclusion of the case. The Tribunal was not asked to determine whether there is provision in the Lease which enables legal costs or other costs of these proceedings to be charged to service charge. Therefore, it does not do so.
40. The Tribunal can only make an order under section 20C of the 1985 Act on behalf of those of who apply for such an order or who are specified in the application: see *Re SCMLLA (Freehold) Ltd* [2014] UKUT 58 (LC). Given the Applicant’s success in this application, it is appropriate to make such an order in respect of her service charge costs. The Tribunal bears in mind that management companies such as the Respondent often have no assets of their own, apart from service charge. Despite that, it would not be just or equitable in view of the outcome that the Applicant should have to contribute to the legal and other costs of the Respondent contesting this application. The practical effect of this order does not necessarily mean that other leaseholders will have to bear the legal or management costs of this application.

41. It is also just and equitable to make an order extinguishing any litigation costs which the Applicant may have arising out of the costs of these proceedings under paragraph 5A of Schedule 11 to the 2002 Act for the same reasons.

Effect of this decision

42. Nothing in the reasons given above or the decision should be understood to restrict or prevent other leaseholders from making applications for similar orders under section 20C of the 1985 Act or paragraph 5A of Schedule 11 to the 2002 Act should they wish to do so. Nor does this Decision impact upon, let alone determine, the questions or payability of sums demanded from other leaseholders. This is a decision based upon the limited evidence available to this Tribunal. It is not a decision which can be considered as binding other leaseholders who were not party to this decision.

Reimbursement of application and hearing fees

43. This was a case *par excellence* where the parties in a continuing relationship had fallen into disagreement partly through difficulties in communicating with each other. Mediation is ideally suited to this kind of dispute. This was mentioned expressly in the case management hearing in April 2026 but does not appear to have been acted upon by the Respondent.
44. The Respondent does not appear to have undertaken any steps to pursue alternative dispute resolution or to offer to bear the cost of determination of the legal issues. Such a resolution would clearly be in the interest of all leaseholders and the Respondent as manager of the development.

Reimbursement of application and hearing fees

45. The Applicant has borne the burden of the Tribunal's fees for the application and hearing. She has been successful in this application. It is just and equitable that the Respondent reimburse her for the hearing and application fees amounting to £341.00 within 14 days of receipt of this Decision.

RIGHTS OF APPEAL

1. 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.
2. 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.
3. 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.
4. 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.