



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

Case Reference : HAV/00HQ/LIS/2026/0009

County Court Claim Number : M68YX678

Property : Flat 6, The Chines, 18 McKinley Road,
Bournemouth, Dorset, BH4 8AP

Applicant : The Chines (18 McKinley Road)
Management Limited

Representative : Dennis Harper, HMS Property Management Services
Limited

Respondent : Fiona Lunn

Representative :

Type of Application : For the determination of the liability to pay service
charges under section 27A of the Landlord and Tenant
Act 1985

Tribunal Members : Tribunal Judge Bowden
Tribunal Member Mr Fitz-Robinson

Hearing Date : 17 September 2026

Venue : Havant Justice Centre

Date of Decision : 30 September 2026

DECISION

This is a formal order of the Tribunal which must be complied with by the parties.

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.

Summary of Decision

- (1) The service charge sinking fund sum is payable.**
- (2) The service charge sinking fund sums demanded on 01 April 2024 and 01 October 2024 are reasonable in amount.**
- (3) The amount payable in respect of the 01 April 2024 service charge demand is £10,178.02.**
- (4) The amount payable in respect of the 01 October 2024 service charge demand is £10,178.02.**
- (5) Interest is payable under the Lease from the day 21 days after a demand at 4% above the HSBC base rate.**
- (6) The issue of fees (HMS and legal) will revert to the County Court as they do not fall within the remit of the matters transferred to the Tribunal.**

Background

1. The Applicant seeks a determination pursuant to s.27A of the Landlord and Tenant Act 1985 (“the 1985 Act”) and Schedule 11 to the Commonhold and Leasehold Reform Act 2002 (“the 2002 Act”) as to the amount of service charges and (where applicable) administration charges payable by the Respondent in respect of the service charge year 2024.
2. Proceedings were originally issued in the County Court sitting at Bournemouth & Poole under claim no. M68YX678. The claim was

transferred to this Tribunal by order of District Judge Lacey dated 11 December 2025 (the “Transfer Order”).

3. The Transfer Order states:

- 1. The matter be transferred to the First Tier Tribunal Property Chamber (Residential Property) to be heard pursuant to their jurisdiction under Section 27a of the Landlord and Tenant Act 1985.*

The hearing

4. The Applicant was represented by Dennis Harper, HMS Property Management Services Limited (“HMS”), at the hearing. Also in attendance from HMS were Mr Head and Mr Taylor. In attendance for the Applicant company were Mrs Pateson and Mrs Brandon.
5. The Respondent appeared in person.
6. The tribunal has a 394-page hearing bundle and a skeleton argument from Mr Harper for the Applicant. The orders and directions were not in the bundle, but the Tribunal obtained them for the hearing.
7. The Tribunal is grateful to the parties for their assistance both before and during the hearing. All witnesses did their best to assist the Tribunal. The Tribunal has considered all of the written evidence and all of the oral evidence; if something is not mentioned specifically within this decision, it does not mean that the Tribunal has not considered it.

The background

8. The property which is the subject of this application is a three-storey (four with basement) block containing 7 flats. It consists of an Edwardian house that has been extended and converted over time. The surrounding grounds to the property consist of hardstanding for parking/ turning and shrub borders to the front. To the rear there are two private gardens.

9. Photographs of the building were provided in the hearing bundle. Neither 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.
10. The Respondent 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 will be referred to below, where appropriate.
11. The Underlease is dated 11 March 2002 is between Pineglen Construction Limited, the Applicant company and then Lessee, Ms Humphries.
12. The Applicant company later acquired the freehold and therefore the head lease.
13. The Applicant's claim was started by way of a Claim Form in the County Court; this claim form stood as its Tribunal application.
14. The Respondent filed a Defence to the Claim Form and her Defence stood as her response in the Tribunal proceedings.
15. The following professionals provided reports, but no permission was granted for expert evidence:
 - a. Bennington Green Roof Condition Report 2016
 - b. Miles & Co Planned Preventative Maintenance Report (PPM) 2023
 - c. TGS May 2024 Roof repairs, Brickwork repairs, and redecoration works phased
 - d. TGS Roof inspection photographs
 - e. TGS Render Report May 2024

The issues

16. The Respondent's case in her Defence was:

This dispute has arisen because of an unreasonable demand for payment into the company sinking fund for the maintenance of the property.

The 9th schedule of the underlease refers to the maintenance charge the start of which specifies that all costs incurred by the Company should be reasonable and that must include the sinking fund the whole purpose of the sinking fund is to spread costs over a number of years and to avoid having to make very large demands in one particular year.

The contribution to the sinking fund of £140,000 demanded by the Company/the Claimant for 2024 to 2025 is unreasonable because it is an 833% increase on the previous contribution of £15,000 for 2023 to 2024 which in turn was an increase of 275% on the contribution of £4000 for 2022-2023 which was set at the 2022 AGM, this being the last AGM in which the sinking fund was discussed and agreed.

Furthermore, the Government leasehold advisory service has advised that the requests for contributions to a sinking fund must be reasonable, clarified, justified, and substantiated. The company/claimant has demanded a contribution to the sinking fund which is unreasonable, lacks clarification, is not justified, and has not been substantiated; thus, I am disputing the demand.

17. The Applicant supplemented its Claim Form with a statement of case dated 06 July 2026. The Applicant maintained its case and concluded:

It is the Applicant's case that it has acted in accordance with the provisions of the lease and the Law. Undertaken all formal, and additionally informal consultation with leaseholders, and as a responsible landlord progressed these works in the most appropriate manner. 5 of the 7 seven leaseholders concur with the Applicant and have paid their service charge demands.

The Applicant seeks the appropriate determinations in its favour from the First Tier Tribunal in relation to the referral from the County Court to include interest and costs.

18. The Respondent supplemented her Defence with a statement of case dated 17 August 2026. The Respondent's case is that, prior to 2023, significant expenditure and major works were discussed and agreed collectively by shareholders. She alleges that the current Board departed from that approach and made major financial decisions without adequate consultation or approval from shareholders. In particular, she challenges the increase in the annual sinking fund contribution to £140,000 for 2024-25, which she says was unreasonable, unsupported by sufficient justification and inconsistent with the purpose of a sinking fund.
19. The Respondent further disputes the necessity and cost of the proposed roof replacement works. She maintains that concerns regarding the specification, procurement process and cost of the works were not properly addressed, and relies upon evidence that a substantially lower quotation was available from an alternative contractor.
20. Finally, the Respondent criticises the Board's decision to commence proceedings against two shareholders without wider consultation, arguing that this resulted in unnecessary expenditure by the Company and adversely affected the value and marketability of her flat. She maintains that her challenge is directed to the reasonableness of the sinking fund demands and the governance of the Company rather than any refusal to pay service charges.
21. The Tribunal has distilled the issues to the following:
 - a. Is a sinking fund contribution payable?
 - b. Was the sinking fund contribution demanded in 2024/25 reasonable?

The evidence

22. The bundle contained a witness statement from Mr Hitt; he was not in attendance. Ms Lunn was given the opportunity to ask questions of Mr Harper regarding the payability and reasonableness of the service charges.
23. Mr Harper's evidence in summary:
 - a. Mr Harper was not present at the February 2024 meeting. He accepted that Ms Lunn was not there in person. But stated he understood that she had given her proxy to a person who had attended.
 - b. Mr Harper maintained throughout his evidence that, when necessary, the four phases of work and the relevant section 20 process had been followed, and the quotes obtained were reasonable.
 - c. He accepted that there had been some changes to what was to be included in each phase; he explained that this was down to not all leaseholders paying the sinking fund contribution and the management company having to address water ingress as a matter of urgency.
 - d. Mr Harper did not accept that the service charge sinking fund sum demanded was unreasonable.
 - e. Ms Lunn suggested that the roof work was not necessary because a lot of work had been done between 2016 and 2023 - that was not accepted by Mr Harper, said the company and the property management company had relied on the findings of the chartered surveyor.
 - f. Ms Lunn did a cross-compare of the 2016 report with the 2023 report and put it to Mr Harper that this was proof that the roof in certain places had improved; therefore, work had been done. Mr Harper said the company and the property management company had relied on the findings of the chartered surveyor.
24. Ms Lunn's evidence in summary:

25. Ms Lunn had given her proxy to Mr Gilbert for voting purposes, but did not believe he was effectively representing her. She had asked him after the meeting what had happened and he had told her it was basically a coffee morning.
 - a. Ms Lunn did not accept that her questions during the section 20 process had been given due consideration; she referred the tribunal to communications she had had with the property management company where she had been told that her persistent obstructions were causing delays.
26. In answering questions from the Tribunal Ms Lunn stated:
 - a. She was not disputing the service charge only the sinking fund element of it.
 - b. She accepted if HMS had incurred fees due to her debt those fees were payable.
 - c. She accepted that interest would be payable in accordance with the lease provisions.
 - d. She did not accept that she should be liable for the Steel Raymond legal fees, as County Court proceedings should not have been issued and the claimant had refused tribunal mediation.

Submissions

27. Ms Lunn reiterated her case, and drew the tribunal's attention to:
28. The fact that the head lease binds the underlease and that repair will include rectification or making good of the roof structure. Her flat had been on the market, and the failure to repair the roof had reduced the saleability of her flat.
 - a. The legal fees were unnecessary full mediation would have been cheaper and provided the opportunity to explain the scope of the works that was envisioned. The company should not have issued legal proceedings without the authority of the shareholders.
 - b. The sinking fund sum demanded was unreasonable because it was guesswork.

- c. The management company should have demonstrated to Ms Lunn that her help, advice, and comments were genuinely and consciously considered. She did not feel that she was being heard. She offered to help based on her personal experience and was often ignored.
- 29. The Aloft invoice shows how unreasonable the £280,000 quote was.
 - a. The scope of the works could have been reduced; that is why the sum demanded for the sinking fund was unreasonable.
 - b. The works themselves could have been spread over 10 years but only spreading them over five years. This increased the sinking fund requirement and was unreasonable.
- 30. Mr Harper's submissions in summary were:
 - a. In 2023 there was a new board, and they obtained the input of a chartered surveyor and a solicitor.
 - b. In 2024 there was a meeting with the shareholders, and it was agreed that the significant works should be undertaken, this led to the April 2024 demand.
 - c. The sinking fund amount was based on input from the chartered surveyor and the tender process that occurred as part of the section 20 process. All leaseholders had an opportunity to participate in the section 20 process.
- 31. The directors did offer mediation, however, there had not been a response. Separately two other leaseholders Mr Hitt and Mr Young had offered to mediate, but that had not been successful.
- 32. The company had needed to instruct a solicitor to deal with the service charge sinking fund debt, it was important to ensure that the sinking fund contribution was paid so that the roof works could go ahead, especially where five other leaseholders had paid their contribution.
- 33. He did not accept that the Aloft quotation properly reflected the level of work that was required.

34. The head lease was to a degree defunct as the company had purchased the freehold.

The Law

Service charge s18 LTA 1985

35. LTA 1985 defines service charge in s18.

“18 Meaning of “service charge” and “relevant costs”

(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.”

Reasonableness

36. LTA 1985 s19 deals with reasonableness.

19 Limitation of service charges: reasonableness.

(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 provision 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.

Case Law

Service Charges

37. In Knapper v Francis [2017] UKUT 3 (LC), the UT clarified that when payment is made on account, the date for determining whether the amount is reasonable is the date on which the contractual liability to make payment arises. However, to decide whether the amount was reasonable, matters unknown to the landlord when its budget was set may be relevant.
38. In Avon Ground Rents Ltd v Cowley [2019] EWCA Civ 1827, the CA held that whether an advance payment was reasonable was not determined by applying rigid rules but should be assessed by the relevant tribunal in light of the facts of the case.
39. In Waler v Hounslow LBC [2017] EWCA Civ 45, although the same legal test applies to both repairs and improvements (as both are relevant costs), the factors that a landlord should consider when carrying out improvements may be more extensive than when carrying out repairs, depending on the factual circumstances. These factors might include the interests and views of the tenants and the

financial impact on them. If more than one outcome was reasonable, it was for the landlord, not the FTT, to choose between them.

40. In Continental Property Ventures Inc v White and another [2006] EWLandsLRX/60/2005, the Lands Tribunal considered both works that were covered by a guarantee and works that had become more expensive because of a landlord's delay in repairing a pipe. It held that:
 - a. Reasonableness does not require the relevant expenditure to be the cheapest available, as long as the amount incurred was reasonable and not out of line with the market norm. However, it was not reasonable for the landlord to charge the tenants for work that could have been carried out at the cost of a third party instead (for example under a guarantee).
 - b. Section 19 did not prevent the landlord from recovering more extensive costs which resulted from the landlord's failure to carry out repairs on a timely basis. However, in the circumstances, the tenants had a defence, as they could bring a claim for damages against the landlord for breach of the landlord's repairing covenant.

Recovery of litigation costs, and litigation costs and service charges

41. In Kensquare Ltd v Boakye [2021] EWCA Civ 1725 the Court of Appeal considered the question of Recovery of litigation costs, and litigation costs and service charges. In that case, based on the drafting of the lease:
 - a. It was irrelevant that, at the date of the lease, there was no requirement for an application to any court or tribunal before serving a s.146 notice. The parties had agreed that the Lessee should bear costs incurred for the purpose of the service of a s.146 notice, and the costs incurred by the lessor in the 2017 proceedings fit that description. The Upper Tribunal had correctly decided that the lessor could recover those costs pursuant to Sch.4 para.5 (Kensquare Ltd v Boakye [2021] at paras 43-44).

- b. Service charge provisions were not subject to any special rule of interpretation, but the court should not "bring within the general words of a service charge clause anything which does not clearly belong there", Arnold v Britton [2015] UKSC 36, [2015] A.C. 1619, [2015] 6 WLUK 320 followed. On a natural reading of Sch.7 para.5, it did not extend to the lessor's litigation costs. While the reference to "professional advisers" was apt to apply to lawyers, they were not mentioned specifically, and nothing was said about legal proceedings. The focus was on management services rather than litigation (Kensquare Ltd v Boakye [2021] at paras 51-52, 54).

Service charge item & amount claimed

42. The demands are as follows:

Demand date	Description	Value
01 April 2024	Service Charge (13% of £78,292.50 budget amount) for period 1 Apr to 30 Sep 2024	£10,178.02
01 October 2024	Service Charge (13% of £78,292.50 budget amount) for period 1 Oct 2024 to 31 Mar 2025	£10,178.02

43. The Statement of Estimates in relation to proposed works dated 15 July 2024 says:

Please find attached the statement of estimates in relation to the proposed major works to the roof. Option 2 repairs as shown in the surveyor's report will be adopted based on the majority of votes received which is the proposed replacement of tiles on the North & East elevations, and then the side extension repair and Velux window repair.

Observations in relation to the proposed works are required within the detailed timescale.

Please note that the figures include contingencies that may not be used.

As you can see from the attached spreadsheet the costs have come in higher than originally estimated. To ensure that we do not deplete the reserve it has been agreed to raise the second £70,000 sum as per the budget. Your demand will follow shortly for this element and we would appreciate swift settlement.

Please be aware that any Leaseholder that has their current service charges still outstanding is required to make payment by return to prevent formal steps commencing.

We cannot place the order at the end of the consultation period without having the required funds in The Chines bank account therefore any delay in receiving payment will prevent the works from being instructed and ultimately the tenders will become invalid which may result in the whole procedure having to start over causing delays and an escalation in costs.

44. The 2024-2025 Budget and Collection of Service Charges for the Roof Works dated 24 July 2024 states:

We refer to our letter dated 15th July 2024 and the earlier correspondence concerning the 2024-2025 budget.

The plan is to instruct the works at the expiration of the consultation period (on Friday 16th August) hence it is necessary that the second part of the reserve portion of the Service Charge Budget is demanded early hence we now attach the 1st of October 2024 Service Charge invoice and your Statement of Account.

For many of you the amount that is payable by 16th August 2024 is your share of the £70,000 second part of the Reserve Fund.

However, to avoid any confusion the amount that must be paid by 16th August 2024 is £18,200.00. This is your statement

amount less the normal Service Charge of £1,078.02, which does not need to be paid until this October 2024.

These figures are commensurate with all of the planning that has taken place over the last year, and which was why the overall budget for 2024-2025 was set at £156,585.00 which included the £140,000.00 reserve amount for the roof works.

We will be monitoring the monies coming into the account because time is critical to ensure that the works can be instructed at the conclusion of the consultative period thereby ensuring that the works can commence and be completed during the better weather periods.

45. Ms Lunn did not argue that a service charge sinking fund sum was not payable.
46. Ms Lunn did not argue that the s.20 process was flawed. Nor did she say the work was not needed, only that it should be spread over a longer period.
47. Mr Hitt's evidence was not relied on by the Tribunal as he was not present and his evidence was not tested.

Findings

48. The Ninth Schedule. Definition of maintenance charges including (a) the maintenance, repair and redecoration of the Reserved property and (f) sinking fund. The Tribunal finds that the service charge sinking fund sum is payable.
49. The Tribunal finds that the Applicant and its managing agent followed the appropriate s20 process. Therefore, the leaseholders were aware of and had input into, the major works proposed.
50. The Tribunal finds that the Applicant took reasonable steps to ascertain the likely costs of the major works by engaging a chartered surveyor for advice and guidance and following a competitive tender process.

51. The Tribunal finds that the Applicant reasonably relied on professional input to guide it on the phases of work, both in terms of scope and timing.
52. The Tribunal finds that the Applicant reasonably carried out a budgeting process and that it reasonably concluded that sums were required via a sinking fund so that contractors could be engaged at the end of the consultation process.
53. Phase 1 was to be the North and East Elevations; in the TGS tender report, these costs are c£130,000 ex vat, adding VAT on this is £156,000. A sinking fund of £140,000 is not unreasonable.
54. The Applicant has limited resources and is unlikely to have any borrowing power; it is not unreasonable that the Applicant sought to ensure it had the funds to pay the Phase 1 contractors.
55. The Tribunal was not satisfied that the Aloft quotation reflected the same scope of works as the works identified by the surveyor and therefore attached limited weight to it when assessing reasonableness.
56. The Tribunal's jurisdiction under section 27A is confined to liability to pay and reasonableness of service charges. To the extent that the Respondent raises issues concerning the governance of the Applicant company, those matters are outside the issues transferred for determination.

Interest

57. The Lease provides that the Lessee is liable to pay interest if they default on payments due under the lease. The period starts 21 days after demand, and the rate is 4% above HSBC base rate. See Sch 7 para 23.
58. The Tribunal notes on the statement of account that payments have been made, but there are no dates. The Tribunal cannot calculate the interest that is due. The Tribunal expects the Applicant to provide the Respondent with an interest calculation, based on the findings in paragraph 57 above.

Fees

59. Sch 9 of the Lease says:

The expression "Maintenance Charge" in this Deed and the Schedule hereto shall mean all the costs, charges and expenses incurred by the Company or the Lessor as the case may be in carrying out its obligations under the Eighth Schedule hereto or otherwise reasonably incurred by the Company or the Lessor as the case may be in the course of managing the Property and (without prejudice to the generality of the foregoing) shall include the cost of the following in so far as the same are applicable to the Property:-

(i) the cost of providing staff for the running of the Property as may be necessary and of providing any other labour which the Company deems necessary and the remuneration and/or commission of any managing agents appointed by the Company under Clause 11 of the Eighth Schedule hereto

(j) Accountants' and Solicitors' and other professional retainers and fees Agents' commissions and Surveyors' fees and secretarial office and other expenses incurred by the Company in the administration management and day to day supervision of the Property

60. Under s27A(3), the Tribunal can determine an application on 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.
61. Under the Transfer Order, the Tribunal is restricted to only determine the liability to pay and reasonableness of service charges being claimed by the Applicant pursuant to Section 27A of the Landlord and Tenant Act 1985. In Directions dated 03 June 2026, the Tribunal recorded that
 - a. the Claim appears to cover charges covering service charges between 2024 and 2025; and
 - b. once such a determination has been made, the matter is to be transferred back to the County Court for any remaining issues that fall within the jurisdiction of the County Court to be concluded.
 62. The Respondent did not challenge the payability or reasonableness of the HMS fees (£192 inc VAT). However, the HMS debt recovery fees do not form part of the service charge demands before the Tribunal for determination.
 63. The Steel Raymond legal fees are not part of the service demands before the Tribunal for determination.
 64. The HMS fees and legal fees do not form part of the transferred section 27A dispute, and no determination is made regarding them
 65. The matter will revert to the County Court to deal with any outstanding matters, including the HMS fees and the legal fees.

Determination

66. The Tribunal determines as follows:
 - a. The service charge sinking fund sum is payable.
 - b. The service charge sinking fund sums demanded on 01 April 2024 and 01 October 2024 are reasonable in amount.
 - c. The amount payable in respect of the 01 April 2024 service charge demand is £10,178.02.
 - d. The amount payable in respect of the 01 October 2024 service charge demand is £10,178.02.

- e. Interest is payable under the lease from the day 21 days after a demand at 4% above the HSBC base rate.
- f. The issue of fees (HMS and legal) will revert to the County Court as they do not fall within the remit of the matters transferred to the Tribunal.

Application under s.20C and refund of fees

The Law

67. Section 20C of the Landlord and Tenant Act 1985 reads as follows:

20C - Limitation of service charges: costs of proceedings.

(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 leasehold valuation tribunal or the First-tier 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.

(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.

68. Paragraph 5A of Schedule 11 to the Commonhold and Leasehold Reform Act 2002 reads as follows;

Limitation of administration charges: costs of proceedings

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.

Application

69. At the hearing, and in her statements, the Respondent sought an order under section 20C of the 1985 Act. Having heard the submissions from the parties and taking into account the determinations above, the Tribunal determines that it is not just and equitable in the circumstances for an order to be made under section 20C of the 1985 Act, so that the Applicant may not pass any of its costs incurred in connection with the proceedings before the Tribunal through the service charge. This is because:

- a. The Applicant’s process was open and transparent due to the proper use of the s20 process.
- b. The Applicant is not obliged to engage the cheapest option.
- c. The Applicant has not conducted itself unreasonably.
- d. The Respondent has not succeeded on the substantive issues before the Tribunal.

Name: Tribunal Judge Bowden

Date: 30 September 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.

1. A written application for permission must be made to the First-tier Tribunal at the Regional office which has been dealing with the case at the Regional office which has been dealing with the case by email at rpsouthern@justice.gov.uk.
2. The application for permission to appeal must arrive at the Regional office within 28 days after the date this decision is sent to the parties.
3. If the application is not made within the 28-day time limit, such an 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 state the grounds of appeal and state the result the party making the application is seeking. All applications for permission to appeal will be considered on the papers. Any application to stay the effect of the decision must be made at the same time as the application for permission to appeal.

Annex 1 – the Lease

THE SEVENTH SCHEDULE above referred to

Part II- Covenants by the Lessee with the Lessor the Company and other Lessees

4. TO pay all costs charges and expenses (including Solicitors costs and Surveyors fees) reasonably incurred by the Lessor for the purpose of or incidental to the preparation and service of a Notice under Section 146 and/or Section 147 of the Law of Property Act 1925 notwithstanding that forfeiture may be avoided otherwise than by relief granted by the Court and to pay all costs charges and expenses including Solicitors' costs and disbursements and Surveyors' fees reasonably and properly incurred by the Lessor of and incidental to the service of all notices and schedules relating to wants of repair of the Premises whether the same be served during or after the expiration or sooner determination of the Term and in relation to or incidental to the recovery or attempted Recovery of arrears of rent or other sums due under his Underlease and any steps taken in Contemplation of or in connection with the enforcement of any other covenants or Provisions of this Underlease

5. CONTRIBUTE and pay to the Company Thirteen per cent (13%) of the Maintenance Charges as defined in the Ninth Schedule hereof

23. IF the Lessee shall make default in making payment to the Lessor or the Company within twenty one days of the same becoming due of any monies (whether rent payments maintenance contributions or otherwise payable by the Lessee to the Lessor or the Company pursuant to any of the Lessee's covenants hereinbefore contained) then the Lessee shall pay interest on such monies at the rate of four cent per annum above HSBC Plc base rate for the time being as well after as before any judgment calculated from the date such monies became due until the date of payment thereof and such monies shall be forthwith recoverable by action

THE NINTH SCHEDULE above referred to

Maintenance Charges

The expression "Maintenance Charge" in this Deed and the Schedule hereto shall mean all the costs, charges and expenses incurred by the Company or the Lessor as the case may be in carrying out its obligations under the Eighth Schedule hereto or otherwise reasonably incurred by the Company or the Lessor as the case may be in the course of managing the Property and (without prejudice to the generality of the foregoing) shall include the cost of the following in so far as the same are applicable to the Property:-

- (a) the maintenance repair and redecoration of the Reserved Property
- (f) a yearly sum to be determined from time to time by the Company to provide a sinking fund for the periodic replacement of the following:
 - (i) the electrical installations the television aerial system and similar items and (ii) for the future maintenance and decoration of the structure of the Reserved Property and all external parts and all parts thereof not comprised in any of the Leases of the Flats granted by the Lessor PROVIDED THAT if when the said items have been replaced and the said works have been carried out the whole of the sinking fund shall not have been expended any balance remaining in the sinking fund shall be carried forward and shall form part of a new sinking fund to be used in like manner to provide for the equivalent works in the future
 - (i) the cost of providing staff for the running of the Property as may be necessary and of providing any other labour which the Company deems necessary, and the remuneration and/or commission of any managing agents appointed by the Company under Clause 11 of the Eighth Schedule hereto
 - (j) Accountants' and Solicitors' and other professional retainers and fees Agents' commissions and Surveyors' fees and secretarial office and other expenses incurred by the Company in the administration management and day to day supervision of the Property