FIRST-TIER TRIBUNAL
PROPERTY CHAMBER
(RESIDENTIAL PROPERTY)

Case Reference	:	**HAV/43UJ/LSC/2025/0835**
Property	:	**31 Bluebell Rise, Lightwater, Surrey, GU18 5YN**
Applicant	:	**Lorraine Perrin**
Respondent	:	**Lightwater Grange Management Company (No.2) Limited**
Representatives	:	**Whitemews Lettings and Property Management Ltd (1)** **Whitemews Block and Estate Management Ltd (2)**
Type of Application	:	**Determination of liability to pay and reasonableness of service charges Section 27A Landlord and Tenant Act 1985**
Tribunal Members	:	**Mr D Cotterell FRICS** **Ms C Barton MRICS**
Date of Hearing	:	**20 August 2026**
Date of Decision	:	**28 October 2026**

DECISION

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Decision of the Tribunal: Summary

1. **The Tribunal determines that the reasonable amounts, reasonably incurred and payable as service charge under the terms of the lease for 31 Bluebell Rise, Lightwater, Surrey, GU18 5YN for the service charge years in issue, are as follows:**

Period	Block Service Charge (Year)	1/30 Fraction	Reasonable Amount Payable
1/1/2023-31/3/2023	£ 19,128.58	637.6193	**£ 159.40**
1/4/2023-31/3/2024	£ 20,980.00	699.3333	**£ 699.33**
1/4/2024-31/3/2025	£ 20,980.00	699.3333	**£ 699.33**
1/4/2025-31/3/2026	£ 27,436.06	914.5353	**£ 914.54**

2. **The Tribunal makes an order under section 20C of the Landlord & Tenant Act 1985 and Paragraph 5A Schedule 11 Commonhold and Leasehold Reform Act 2002.**

3. **The Tribunal's reasons are set out below.**

The Application

4. The application seeks determination of liability to pay and/or reasonableness of service charges under s.27A of the Landlord & Tenant Act 1985 in relation to 31 Bluebell Rise, Lightwater, Surrey, GU18 5YN (the Property).

5. The application was dated 27 November 2025. The Applicant challenges service charges levied in 2023 (part) and service charge years 2023-24, 2024-25, and 2025-26. The Applicant states in her application that the reasons for her application are that "*The demands were issued variously in the names of Whitemews Lettings and Property Management Ltd, Whitemews Block and Estate Management Ltd, and other similarly named companies Linked to Jane and David Whyte, who also control Lightwater Grange Management Company (No. 2) Ltd ("LGMC2"). The use of multiple, related companies has*

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created confusion about which entity—if any—was properly authorised to act as managing agent for LGMC2."

6. In addition she submits that the charges were not reasonably incurred because:"…

   - *No statement of actual expenditure has been issued for any year, contrary to s.21 Landlord and Tenant Act 1985;*
   - *LGMC2 has failed to comply with its lease obligation for annual independent certification of accounts; and*
   - *There has been a persistent lack of transparency over management authority, financial control and communication with leaseholders.*"

7. The application was considered on the papers on the 20 August 2026 at Havant Justice Centre, Elmleigh Road, Havant. The parties provided, and the Tribunal read and considered, a main bundle of 203 pages.

8. The Applicant's case was supported by (i) a statement of case (headed "draft" but not given in other form, (ii) a "*concise reply and note on Respondent's non-service of statement*"

9. The Respondents case was supported by (i) a position statement (not being in the bundle) dated 13 May 2026, (ii) Minutes of the AGM of Lightwater Grange Management Co. (No.2) Limited held on 15 February 2006 (iii) a copy letter dated 30 September 2006 sent to residents of Bluebell Rise.

The Applicant's Case

10. The application describes the Property as a ground floor studio flat at the front of the building in block of 6 around 40 years old.

11. The Applicant has challenged the payability and reasonableness of service charges demanded between 2022 and 2026, and has made applications under section 20C of the Landlord & Tenant Act 1985 and paragraph 5A of Schedule 11 to the Commonhold and Leasehold Reform Act 2002.

12. The Applicant says that the Respondent, has failed to provide the certified service charge accounts required both by the lease and by Tribunal directions. Instead, the Respondent has supplied statutory company accounts prepared for Companies Act purposes. She suggests that these are fundamentally different from lease-compliant service charge accounts and do not satisfy the Tribunal's directions.

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13. She points out that the lease requires service charges to be determined by an independent accountant who must issue an Accountant's Certificate confirming that the expenditure summary is fair, properly supported by receipts and records, and accurately reflects the service charge payable – and also that it requires leaseholders to be supplied with both the annual service charge account and the Accountant's Certificate – and that no such certificates have been provided.

14. She also says that the accounts supplied are insufficiently detailed. According to the Applicant, broad accounting headings such as "premises costs" and "administrative expenses" do not permit scrutiny of specific expenditure, suppliers, invoices, dates, or allocation methods. The Applicant also argues that there has been inadequate accounting for reserve or sinking funds, no reconciliation of service charges, and no disclosure of supporting documentation such as invoices, insurance schedules, or bank records with the result, she asserts, that she is unable to verify either the expenditure claimed or how costs have been apportioned.

15. She also challenges the method used to calculate service charges: under the lease, she says costs should be apportioned through a dual mechanism: 1/30 of estate-wide costs and 1/6 of costs relating specifically to her block. Despite this, she says that the budgets and demands provided by the freeholder appear to apply a single percentage to aggregated estate-wide expenditure. She makes particular mention of expenditure on roofing and maintenance works, saying that there are entries in an internal expenditure spreadsheet showing work to another block of flats, but that there is no explanation as to whether such costs have been included within charges demanded from her – and that available documents do not reconcile budgets with actual expenditure and do not show whether costs have been allocated to the correct estate-wide or block-specific categories.

16. She also disputes whether those issuing service charge demands had proper authority to do so. She notes that different companies within the Whitemews group appear to have issued demands and correspondence on behalf of the Respondent and is unaware of any management agreement or formal appointment document having been produced demonstrating the basis upon which those entities were authorised to act.

17. She adds that she had repeatedly requested compliant accounts and certificates, together with supporting evidence, but that the Respondent had maintained that the statutory accounts already supplied were sufficient. She says that any inability to provide more detailed challenges to individual charges are because of the Respondent's failure to disclose the required documentation.

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The Respondent's Case

18. In reply, the Respondent has produced a Statement in Response to Concerns Raised Regarding Service Charge Administration. This explains that Lightwater Grange Management Company (No.2) Ltd (LGMC2) is the management company named in the lease and has remained the entity responsible for managing the development and collecting service charges throughout; the management responsibilities were originally transferred from a previous managing agent in 2006 and subsequent management arrangements were evidenced by annual general meeting resolutions and company administration records.

19. The Respondent adds that the Whitemews group reorganised its business so that residential lettings activities and block management activities were operated through separate companies and that this restructuring was undertaken for administrative and operational reasons, rather than to change management responsibilities or avoid obligations.

20. They maintain that all leaseholders were notified of these changes and that subsequent correspondence, service charge demands and budgets reflected the new company names and registration details and that service charge demands issued during the relevant years were prepared on behalf of LGMC2 in accordance with the obligations contained in the leases.

21. They also say that bank accounts referencing "Lightwater Grange Two" are administrative identifiers linked to the development and were not intended to represent a separate legal entity and that the accounts into which service charge payments were made were operated for the benefit of the development and its service charge administration, and that LGMC2 held no other funds.

22. The Respondent denies any improper handling of service charge funds. It states that all amounts received through service charges were used for legitimate estate purposes, including maintenance, insurance, health and safety compliance, and other expenditure connected with management of the development.

The Lease

23. The bundle included a copy of the lease of the Property dated the 25 June 1985 that granted a term of 99 years from 29 September 1984. The Lease defines the service charge as "*the aggregate cost of providing the Management Services in respect of the Leasehold Estate as determined in accordance with*

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Clause 4 hereof." In turn Clause 4 defines the service charge year as running from the 1 April in each year.

24. Clause 4 goes on to say that "*(4) Management Company shall cause the amount of the Service Charge for such financial year to be determined by an independent accountant … to be appointed by the Management Company*"

25. It then adds: "(*6) As soon as the Accountant shall have determined the amount of the Service Charge for the relevant financial year the Accountant shall prepare a written statement (hereinafter called "the Accountant's Certificate") containing a summary of the costs expenses and outgoings incurred by the Management Company during the relevant financial year in respect of the said heads of expenditure and specifying a sum as the amount of the Service Charge payable by the Lessee as aforesaid and in the Accountant's Certificate the Accountant shall certify that in his opinion the said summary represents a fair summary of the said costs expenses and outgoings set out in a way which shows how they are or will be reflected in the Service Charge and that in his opinion the said summary is sufficiently supported by accounts receipts and other documents which have been produced to him and that the sum specified as aforesaid represents the amount of the Service Charge payable by the Lessee for the relevant financial year of the Management Company*

26. As to payment, clause 4 continues: "*(8) The Lessee shall on the first day of April and the first day of October in each financial year pay to the Management Company an equal one-half part of such sum in advance and on account of the Service Charge for such financial year as the Management Company or its agents shall from time to time specify in its or their discretion to be a fair and reasonable interim payment…*"

27. As to reconciliation: "*(9) As soon as practicable after the end of each financial year the Management Company shall furnish to the Lessee an account of the Service Charge payable by the Lessee for such financial year together with a copy of the Accountant's Certificate…*"

28. The Fifth Schedule details the scope and share of the service charge, being the cost of providing the services listed in Clause 5 and incidental costs of management, and then payable at the rate of 1/30 of general Block costs (except where those costs relate to a part of the Block only usable by "Studio Two" units) and 1/6 of costs where those costs do relate to a part of the Block only usable by "Studio Two" units.

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The Evidence

29. Directions in the application had been given by Tribunal Judge Jutton on 27 May 2026. In those directions The Respondent was required to "*Send to the Applicant certified service charge accounts for the years ending 31 March 2022, 31 March 2023, 31 March 2024 and 31 March 2025*". The Applicant reports that this was not done and no such certified accounts appear in the bundle.

30. The parties also submitted written evidence and statements as mentioned further above. The documents provided include:

    a. Statutory Accounts for Lightwater Grange Management Company (No 2) Limited for the years 2022-2025 inclusive;

    b. Service charge demands for the Property for 2023-24, 2024-25, and 2025-26, all at a rate of 4.12% of the gross amount of expenditure accumulated in the course of management. There is no information regarding the part year service charge demand for 2023 other than the Applicant's mention of the amount demanded in the sum of £218.12.

    c. Service charge expenditure summaries in tabular format for 2022-23, 2023-24, 2024-25, 2025-26, and in train for 2026-27.

The Legal Principles

31. The law requires that service charges must be reasonably incurred and are payable only where works are carried out to a reasonable standard. For that purpose, s.18 of the Landlord & Tenant Act 1985 defines the concept 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 estimate costs incurred or to be incurred by or on behalf of the landlord, or a superior landlord, in connection with matters for which the service charge is payable."

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As to the limitation of service charges and their reasonableness it goes on to say at 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 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.

Submissions & Analysis

32. The Tribunal thanks the parties for their submissions. As a preliminary, the Tribunal points out that its jurisdiction arising from the application is limited to determining firstly whether the sums claimed in the service charge years in issue are reasonable and reasonably incurred having regard to the terms of the lease and the limitations on such charges imposed by law – and secondly whether any order might be made under section 20C of the 1985 Act and/or paragraph 5A of Schedule 11 to the 2002 Act, and under Rule 13 in relation to costs.

33. The Tribunal has considered this scope across all of the claims within its jurisdiction that are set out in the Application.

34. The Tribunal is of the view that the relevant service charge demands for 2023-24 and 2024-25 both identify sufficiently Lightwater Grange Management Company (No.2) Ltd for the purposes of s.47 of the Landlord and Tenant Act 1987; the demand for 2025-26 does not. The apparent invalidity of the demand document does not render unreasonable the service charges due, for the purpose of the subject Application.

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35. The Tribunal notes that the Applicant has not received certified service charge accounts for the years ending 31 March 2022, 31 March 2023, 31 March 2024 and 31 March 2025 as directed by Judge Jutton, or otherwise in accordance with the terms of the lease of the Property.

36. While the terms of the lease are clear in creating a duty on the Management Company to produce such accounts, the terms of that duty do not appear in the Tribunal's view to be a precondition for creating a liability for payment of service charge amounts as calculated under clause 4 and the Fifth Schedule of the lease; the timing and the amounts of payment appear to the Tribunal to be set out at clause 4(8).

37. In addition, failure to meet the requirements of clause 4(6) to provide certification will not render unreasonable the service charge amounts in issue for the purposes of s.27A of the Landlord & Tenant Act 1985.

38. The amount of service charge properly demanded in the service charge years in question and specifically resulting from the applied apportionment, is however unclear. The management company has demanded in each case a share of the total expenditure at a flat rate of 4.12%, whereas the lease requires at the Fifth Schedule that the share be 1/30 (3.33% approximately) or for certain expenditure 1/6 (16.66% approximately).

39. The demands do not clarify which amounts might have had the different apportionment rates applied either at 1/30 or 1/6, and in the Tribunal's view on the evidence before it, the consistency of the 4.12% apportionment suggests that no such distinction has been made in the calculation of the service charge demands.

40. As a result, and in the absence of any evidence or information given to the Tribunal to the contrary, any amount in excess of 1/30 is unreasonable and not payable by the Applicant as service charge.

41. The Tribunal has, for the period 1/1/2023-31/3/2023, relied on the summary service charge table at page 190 of the bundle.

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Decision

42. In consideration of the above, the Tribunal determines that the amounts payable by the Applicant in each case for the service charge years in issue are as follows:

Period	Block Service Charge (Year)	1/30 Fraction	Reasonable Amount Payable
1/1/2023-31/3/2023	£ 19,128.58	637.6193	**£ 159.40**
1/4/2023-31/3/2024	£ 20,980.00	699.3333	**£ 699.33**
1/4/2024-31/3/2025	£ 20,980.00	699.3333	**£ 699.33**
1/4/2025-31/3/2026	£ 27,436.06	914.5353	**£ 914.54**

Applications under section 20C of the Landlord & Tenant Act 1985 & Paragraph 5A, Schedule 11 to the Commonhold & Leasehold Reform Act 2002.

43. In the application form, the Applicant applied for an order under section 20C of the Landlord and Tenant Act 1985 Act. Such an order may restrict costs incurred by the landlord in these proceedings being levied in the service charge payable by the tenant (or any other leaseholder who signs up to the section 20C application). Additionally, an application was made under paragraph 5A of Schedule 11 to the Commonhold and Leasehold Reform Act 2002. Such an application may reduce or extinguish the tenant's liability to pay an administration charge under the terms of their lease.

44. The most significant issue for the Tribunal to determine in this application was the appropriate share of service charge expenditure due from the Applicant.

45. It is the Tribunal's view that the Applicant has succeeded in the primary point of challenge, the Tribunal accordingly determines that it is just and equitable in the circumstances for an order to be made under section 20C of the 1985 Act and paragraph 5A schedule 11 of the Commonhold and Leasehold Reform Act 2002, so that the Respondent may not pass any of its costs incurred in connection with the proceedings before the Tribunal through the service charge or as an administration charge.

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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).

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