FIRST-TIER TRIBUNAL
PROPERTY CHAMBER
(RESIDENTIAL PROPERTY)

Case reference	:	**LON/00BF/LSC/2025/1055**
Property	:	**Flat 170 Mullards Close, Mitcham, Surrey CR4 4FF**
Applicant	:	**Raul Rada**
Representative	:	**n/a**
Respondent	:	**The Water Gardens (Blocks F, G & H) Management Ltd**
Representative	:	**Regency Estate Management Ltd**
Type of application	:	**An application under section 27A Landlord and Tenant Act 1985**
Tribunal	:	**Judge N O'Brien** **Ms J Rodericks MRICS**
Date of Determination	:	**4 November 2026**

DETERMINATION

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(1) The sum payable in advance by the applicant in relation to the exterior decoration works is limited to £250

(2) The sum payable in advance by the applicant in relation to the fire safety works is limited to £250

(3) The tribunal makes an order under Paragraph 5A of Schedule 11 of the Commonhold and Leasehold Reform Act 2002 preventing the Respondent from recovering its costs of these proceedings from the Applicant as an administration charge.

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(4) The tribunal does not make an order under s20C of the Landlord and Tenant Act 1985 preventing the Respondent from recovering its costs of these proceedings from the Applicant as a service charge.

INTRODUCTION

1. The Applicant is the leasehold owner of 170 Mullards Close Mitcham Surrey CR4 4FF (the flat) which he holds pursuant to a lease dated 30th September 1996 between Fairview Homes Limited and Mr Peter Wilson, and the Respondent management company. The flat is situated on a wider estate known as the Water Gardens Estate. The Respondent is the management company for blocks F, G and H in that estate and is a leaseholder owned company. The Applicant's flat is situated in Block F.

2. Part V of the schedule to the Applicant's lease obliges him to pay a service charge amounting to 1/58th of the Respondent's costs of performing its obligations under Part VI of the Schedule. Part VI of the Schedule contains the usual obligations to maintain 'The Property'. 'The Property' is coloured yellow on the plan attached to the lease and consists of Blocks F, G and H and their surrounding curtilage. There is no obligation to contribute towards the costs of the wider estate.

3. The Applicant applied for a determination under section 27A of the Landlord and Tenant Act 1985 as to whether service charges are payable and reasonable in amount, together with ancillary orders relating to costs.

4. Specifically the Applicant sought to challenge the reasonableness and payability of the following service charges;

   (i) The sums demanded towards the reserve funds from 2021 to 2026
   (ii) The cost of planned major works consisting of redecoration works to the exterior of blocks F, G and H
   (iii) The cost of planned major works consisting of fire safety works to blocks F, G and H, and
   (iv) All service charges demanded by the Respondent for the years 2021 to 2026

5. Standard directions were issued by the tribunal on 25 November 2025 and the matter was listed for a final determination on 14 April 2026. That hearing could not proceed due to a bereavement suffered by the Respondent's representative and the matter was adjourned and re-listed on 3 November 2026.

6. The Applicant attended in person and the Respondent was represented by Mr Kevin Howard and Mr Joshua Howard. Mr Kevin Howard

explained that he was the director of the managing agent and the company secretary of the Management Company. Mr Joshua Howard was responsible for the day-to-day management of Blocks F, G and H. Mr Rada confirmed that he had no objection to the Respondent being represented by Messrs Howard at the hearing.

7. We were provided with a bundle running to 378 pages prepared by the Applicant, a skeleton argument prepared by the Applicant consisting of 7 pages and a skeleton argument prepared by the Respondent consisting of 11 pages plus a further 68 pages of exhibits. Neither party prepared a witness statement or statement of case. The applicant prepared a schedule of disputed costs to which the Respondent has added its comments, and the Applicant had prepared a reply. The Respondent additionally sent a large ZIP file to the tribunal the evening before the hearing, however we were not referred to it and did not consider it.

8. At the start of the hearing we explained that we had some difficulty in identifying precisely what it was that the Applicant wished to challenge and why. With the assistance of the parties we determined that the matters which remained under challenge were;

   (i) The sums demanded towards the reserve funds from 2021 to 2026
   (ii) The cost of planned major works consisting of redecoration works to the exterior of blocks F, G and H
   (iii) The cost of planned major works consisting of fire safety works to blocks F, G and H, and
   (iv) The majority of the items included in the budgets for blocks F, G and H for the years 2021 to 2026

9. In relation to (i) the Applicant confirmed that he did not consider that the sums he had been asked to pay towards the reserve funds, which varied from £170 to £225 for each of the years in dispute, were unreasonable per se; he simply sought to establish whether the funds had been expended in accordance with the terms of the lease. Messrs Howard told us that the accounts sent to the leaseholders included a balance sheet showing the amounts held in the reserve fund, but that this had been omitted from all of the copies of the annual accounts included by the Applicant in the bundle. Mr Rada accepted that his lease permitted the Respondent to maintain a reserve fund. We explained that we had no jurisdiction to determine whether the sums held in the reserves had been spent in accordance with the lease and could only determine whether the sums demanded were reasonable and payable. On that basis Mr Rada withdrew his challenge to the sums demanded in respect of the reserves.

10. In respect of his challenges to the remaining costs for 2021 to 2026 the Applicant agreed that he had challenged the budgeted costs and not the actual costs despite the fact that he had been provided with annual

accounts for each of the years in dispute save for the years ending 31 March 2025 and 31 March 2026. He accepted that the items challenged on his Scott Schedule included practically every item which had appeared in the budgets for each year in dispute. Following receipt of the Respondent's comments to his schedule, he withdrew his challenges to a limited number of items but maintained his challenge to the vast majority of them. We explained that the only issue we could determine was whether the estimated costs were reasonable in the light of the information available to the Respondent at the time the demands were made. The Applicant accepted that he had not provided any evidence to show that any of the estimated sums in the budgets for the years in dispute were unreasonable. It transpired that his primary concern was to ascertain whether all of the sums included in the budgets actually related to blocks F, G and H. He explained that the managing agent also managed other blocks in the estate and he wanted to be sure that the sums in the budgets only related to sums expended in maintaining blocks F, G and H and not to the other blocks on the estate. He submitted that the Respondent had failed to supply him with invoices relating to the sums he had challenged in his Scott schedule. The Respondent accepted that it had not disclosed any invoices as directed, save for some insurance documents, but submitted that it would have been unduly onerous and disproportionate to require it to disclose every invoice going back 7 years. Neither the Applicant nor the Respondent had applied for any further case management directions relating to disclosure.

11. We explained that given the lack of documentation in the bundle, and in particular the lack of any evidence to show that the sums in the budgets were unreasonable, were we to embark on a determination of the remaining challenged items we would only be able to determine whether the estimated sums were reasonable in the light of the actual figures for the previous years. Mr Rada accepted that he had no evidence to show that any of the budgeted figures were unreasonable and that furthermore he was not putting forward a positive case that they were unreasonable. Consequently he withdrew his challenges to those remaining items.

The Major Works

12. In 2025 the Respondent included the following items in its budget for blocks F, G and H for the year 1 April 2025 to 31 March 2026:

    (i) External redecoration works £40,020
    (ii) Fire Safety Fund £45,008

    In January 2026 the Respondent served notices of intention to undertake both sets of works in accordance with section 20 of the 1985 Act and the Service Charges (Consultation Requirements) (England) Regulations 2003, however it had not complied with the second stage of the statutory consultation process in that it had not supplied the

leaseholders with a statement of estimates. It was common ground that the leaseholders had been asked to pay for both sets of major works before the stage 1 notice had been served on them, although it is not clear when the demand for payment was made. The works have not yet commenced.

13. The Service Charges (Consultation Requirements) (England) Regulations 2003, set out the consultation process which a landlord must follow in respect of works which will result in any leaseholder contributing more than £250. In summary they require the Landlord to follow a three-stage process. Firstly the Landlord must send each leaseholder a notice (usually referred to as a stage 1 notice) of intention to carry out the works and give the leaseholders 30 days to respond. Then the Landlord must supply the leaseholders with a statement with at least two estimates for the carrying out of the proposed works, and permit a further 30-day period for observations. Then, if the landlord does not contract with a contractor nominated by the leaseholders or does not contract with the contractor who has supplied the lowest estimate, it must serve a further notice explaining why. In the event that the above procedure is not followed the amount recoverable from each leaseholder in respect of the works is capped at £250.

14. Mr Kevin Howard explained that the Respondent had not complied with the statutory consultation process before demanding payment because it had wanted to ensure that the money was available before seeking any estimates and because the Respondent was concerned that the section 20 notice would 'expire' before the estimates were available. We struggled to follow the Respondent's reasoning for not complying with the section 20 consultation process and/or not applying for dispensation.

15. Section 20(1) of the Landlord and Tenant Act 1985 provides that where that section applies, the relevant contributions of the tenant to qualifying works is limited to £250. It follows that the maximum which the Respondent could ask the leaseholders to contribute in advance towards each set of major works without complying with s20 of the 1985 Act was £250. That is not to say that the Respondent is precluded from seeking further sums from the leaseholders in respect of those works however until it complies with the statutory consultation process, or successfully applies for dispensation, that is the maximum which each leaseholder can be required to contribute in any one year.

16. It follows that the amount which the Applicant was liable to pay towards the external decoration works and the fire safety works as at the time the demand for payment was made in 2025 was £250 for each set of works.

Application under s.20C and refund of fees

17. Taking into account the fact that the Applicant's challenges have largely failed or been withdrawn the Tribunal does not order the Respondent to refund the fees paid by the Applicant.

18. In the application form and at the hearing, Mr Rada applied for orders under section 20C of the Landlord and Tenant Act 1985, preventing the Respondent from seeking to recover its costs of these proceedings as a service charge, and under paragraph 5 A of schedule 11 of the Commonhold and Leasehold Reform Act 2002 preventing them from seeking to recover their costs as an administration charge.

19. In our view it would not be right to permit the Respondent to recover all its costs from the Applicant alone as an administration charge. While we have some sympathy with the Respondent's submission that it was disproportionate to require it to disclose all of the invoices relevant to every cost which had been incurred 2021, the correct step to take would have been to apply to the tribunal for further directions. Furthermore we consider that the Respondent has not demonstrated that it had a good reason for not complying with the consultation requirements before it demanded payment towards the major works. However in our view the Applicant has failed to properly focus his challenge in these proceedings, which may well have increased the time taken by the Respondent to respond. We see no reason why the Respondent should be prevented from including its costs of these proceedings as a relevant cost for the purposes of calculating the Applicant's service charge and we do not make an order under s20C of the 1985 Act.

Name: Judge N O'Brien **Date:** 4 November 2026

Rights of appeal

By rule 36(2) of the Tribunal Procedure (First-tier Tribunal) (Property Chamber) Rules 2013, the tribunal is required to notify the parties about any right of appeal they may have.

If a party wishes to appeal this decision to the Upper Tribunal (Lands Chamber), then a written application for permission must be made to the First-tier Tribunal at the regional office which has been dealing with the case.

The application for permission to appeal must arrive at the regional office within 28 days after the tribunal sends written reasons for the decision to the person making the application.

If the application is not made within the 28-day time limit, such application must include a request for an extension of time and the reason for not complying with the 28-day time limit; the tribunal will then look at such reason(s) and decide whether to allow the application for permission to appeal to proceed, despite not being within the time limit.

The application for permission to appeal must identify the decision of the tribunal to which it relates (i.e. give the date, the property and the case number), state the grounds of appeal and state the result the party making the application is seeking.

If the tribunal refuses to grant permission to appeal, a further application for permission may be made to the Upper Tribunal