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RESIDENTIAL PROPERTY TRIBUNAL

LEASEHOLD VALUATION TRIBUNAL

Reference: LVT/0051/02/25

In the Matter of: Flats 1-4, 8 Piercefield Place, Cardiff CF24 0LD

In the matter of: An Application under Schedule 11 of the Commonhold and Leasehold Reform Act 2002

Applicants:

Owen Lewis (Flat 1)
Taryn Tarrant-Cornish (Flat 2)
Ian Price (previously of Flat 3)
Michael Witold Mintowt-Czyz (Flat 4)

Respondents:

Chancery Lane Investments Limited

Tribunal: Tribunal Judge Michael Draper
Tribunal member Hefin Lewis
Tribunal member Dr Angie Ash

ORDER

Background

1. The Respondent is the freeholder and landlord of the property known as 8 Piercefield Place, Cardiff CF24 OLD (the Property) comprised of four leasehold flats. Each flat is held under a long lease. The tenants of the four leasehold flats are the Applicants.

2. The Applicants assert that in accordance with the Commonhold and Leasehold Reform Act 2002 (“CLRA 2002") Eight Piercefield Place RTM Company (RTM) acquired the right to perform the management functions under the relevant leases on the 10th of January 2017pursuant to Chapter 1 of Part 2 of CLRA 2002. This is not disputed by the Respondent although a copy of the relevant right to manage order has not been made available to the Tribunal.

3. On the basis of this assertion the Applicants seek a determination under Schedule 11 of CLRA 2002 as to liability to pay and/or reasonableness of the variable service/administration charge included within Clause 2(3) of the lease to each flat. Clause 2(3) refers to an *administration* charge. The Applicants assert that the Respondent is not entitled to claim

payment of the service/administration charge under Clause 2(3) of each lease as RTM acquired the right to manage.

4. Leases may allow a landlord to include costs incurred in connection with proceedings before a tribunal as part of a service charge. Section 20C of the Landlord and Tenant Act 1985 gives the Tribunal power, on application by the tenant, to make an order to the effect that such costs are not to be treated as relevant costs to be taken into account in determining the amount of any service charge payable by the tenant or any other person(s) specified in the application. The Applicants have applied for such an order.

5. The Tribunal have received Form LVT2 and the following documentation for consideration. The order of the documents follows the Tribunal bundle:

5.1 A copy of a lease made 22nd December 1992 between Swilland Properties Limited (1) Louise Ann Stone (2) relating to Flat Number 4, 8 Piercefield Place, Roath Cardiff and registered under title Number WA660909 at HM Land Registry and forming part of Title Number WA 42631

5.2 An Application for payment dated 24th February 2025 in relation to Flat 1, 8 Piercefield Place addressed to Mr O D Lewis with an amount due of £5,281.70 made up of a claim for a Landlord Fee (Clause 2 subclause (3)) for years ending 2019 to 2023 inclusive and three Arrears letter Charges 2024-2025 and Ground Rent from 25.03.2025 to 28.09.25

5.3 A Notice (undated) to long leaseholders of Rent Due pursuant to Commonhold and Leasehold Reform Act 2002, section 166 addressed to Mr O D Lewis

5.4 An Application for payment dated 19th January 2025 in relation to Flat 4, 8 Piercefield Place addressed to Michal Witold Mintowt-Czyz with an amount due of £4625.59 made up of a claim for a Landlord Fee (Clause 2 subclause (3)) for years ending 2019 to 2023 inclusive and three Arrears letter Charges 2024-2025

5.5 An Application for payment dated 19th August 2024 in relation to Flat 3, 8 Piercefield Place addressed to Ian Price with an amount due of £4,425.59 made up of a claim Landlord Fee (Clause 2 subclause (3)) for years ending 2019 to 2023 inclusive and Ground Rent from 29/09/24 to 24/03/2025

5.6 A Notice (undated) to long leaseholders of Rent Due pursuant to Commonhold and Leasehold Reform Act 2002, section 166 addressed to Mr Ian Price

5.7 An Application for payment dated 31st July 2024 in relation to Flat 2, 8 Piercefield Place addressed to Taryn Tarrant-Cornish with an amount due of £4400.59 made up of a claim for a Landlord Fee (Clause 2 subclause (3)) for years ending 2019 to 2023 inclusive

5.8 Eight Piercefield Place RTM Company Limited Service Charge Accounts for the year ended 31st August 2020, 2021,2022, and 2023

5.9 The Respondents Statement of Truth dated 13th October 2025 signed by Larence Frellich as Director

5.10 The Applicants Statement of Truth which ends on page 6 and in the Tribunal bundle is unsigned and undated

5.11 A copy of a lease made November 1993 between Swilland Properties Limited (1) Kerry Ann Ford (2) relating to Flat Number 1, 8 Piercefield Place, Roath Cardiff forming part of Title Number WA 42631

5.12 An Application for payment dated 31st July 2025 in relation to Flat 1, 8 Piercefield Place addressed to Mr O D Lewis with an amount due of £4,400.59 made up of a claim for a Landlord Fee (Clause 2 subclause (3)) for years ending 2019 to 2023 inclusive

5.13 An Application for payment dated 25th April 2025 in relation to Flat 1, 8 Piercefield Place addressed to Mr O D Lewis with an amount due of £4,700.59 made up of a claim for a Landlord Fee (Clause 2 subclause (3)) for years ending 2019 to 2023 inclusive and four Arrears letter Charges 2024-2025 with a receipt for payment of this amount dated 13th May 2025

5.14 letter of Claim dated 13th February 2025 from Property Debt Collection Ltd (PDC) relating to Flat Number 4, 8 Piercefield Place, Roath Cardiff in relation to arrears of unpaid service charge of £6983.36 (including PDC's administration fee of £612.00) with attached Statement of sums instructed

5.15 Official copy entries of Title number WA660909 being the Leasehold land shown edged with red on the plan of the above Title filed at the Registry and being Flat 4, 8 Piercefield Place, Cardiff (CF24 0LD)

5.16 An Application for payment dated 18th August 2024 in relation to Flat 4, 8 Piercefield Place addressed to Michal Witold Mintowt-Czyz with an amount due of £4425.59 made up of a claim for a Landlord Fee (Clause 2 subclause (3)) for years ending 2019 to 2023 inclusive and Ground Rent 2024-2025

5.17 letter of Claim dated 13th February 2025 from Property Debt Collection Ltd (PDC) relating to Flat Number 2, 8 Piercefield Place, Roath Cardiff in relation to arrears of unpaid Ground Rent and service charge of £6780.92 (including PDC's administration fee of £612.00) with attached Statement of sums instructed

5.18 Official copy entries of Title number WA42631being the freehold land shown edged with red on the plan of the above Title filed at the Registry and being 8 Piercefield Place, Cardiff (CF24 0LD)

5.19 Official copy entries of Title number WA667319 being the Leasehold land shown edged with red on the plan of the above Title filed at the Registry and being Flat 2, 8 Piercefield Place, Cardiff (CF24 0LD)

Amended Directions Order

6. The Amended Directions Order dated 22nd September 2025 provided that the Applicants and the Respondent shall by 12 noon on 31st October 2025 file at the Tribunal an agreed list of outstanding issues to be resolved at the hearing and details of any matters of agreement.

7. The Tribunal has not received a list submitted or supported by the Respondent.

8. The Tribunal has received a list from the Applicants of outstanding issues to be resolved at the hearing and details of any matters of agreement. The list is dated 31st October 2025 and states as follows:

1. The veracity of the Respondent's case that the Administration Charge '*has been consistently applied since 1992'*. Disclosure has been requested from the Respondent to evidence this.

2. The fabrication of invoice dates by Property Debt Collection Ltd. who were acting on the instructions of the Respondent.

3. The Applicant's case that there is *no* history of the Administration Charge being applied and that there is Waiver.

4. The proper meaning and effect of Clauses 2(3) and 2(2) of the Lease.

5. The purpose and intent of Clause 2(3) of the Lease:

    a. When there is no Right to Manage
    b. When there is a Right to Manage

6. How, if the sum payable by the Tenants under Clause 2(2) is nil due to Right to Manage, the sum payable under 2(3) can be anything other than nil.

7. The relevance of any management functions retained by the Respondent.

8. The matter of fees otherwise charged by the Respondent for any retained services.

9. The relation between any retained services not charged elsewhere, and the services listed in Clause 2(2) on which the Administration Fee is based.

10. Whether the rate or total sum of the Administration Charge is unreasonable within the meaning of Schedule 11 paragraph 5 of CLRA 2002.

11. The matters of Quantum set out in the Applicant's Statement of Case 21 August 2025.

12. The conduct of the parties including that of Property Debt Collection Ltd. acting on the instructions of the Respondent.

13. Whether, taking into account matters including the Respondent's conduct, an Order should be made under Section 20 C of the LTA 1985.

Matters of agreement:

1. The Respondent is the freeholder and landlord of 8 Piercefield Place, Cardiff, CF24 0LD.

2. The Applicants acquired the Right to Manage on or about the 10 January 2017.

3. The Respondent's Managing Agent is Moreland Estate Management

Jurisdiction of the Tribunal

9. Leasehold Valuation Tribunals in Wales are established under section 173 of CLRA 2002 and operate under the Leasehold Valuation Tribunals (Procedure) (Wales) Regulations 2004. The powers of the Tribunal are strictly statutory and the Tribunal may not make orders beyond that which a statute and related regulations allow.

10. Paragraph 5 of Schedule 11 of CLRA 2002 provides that an application may be made to a Tribunal for a determination whether or not an administration charge is payable and if so, by whom it is payable, to whom it is payable, the amount which is payable, the date on which it is payable or the manner in which it is payable.

11. No application may be made under Schedule 11 of CLRA 2002 in respect of a matter which has been agreed or admitted by a leaseholder or which has been determined by a court or arbitral tribunal: paragraph 5(4) Schedule 11 of CLRA 2002 However, payment of all or part of a charge does not constitute agreeing or admitting it: paragraph 5(5) Schedule 11 of CLRA 2002.

12. The Tribunal is not aware of any relevant matter that has been agreed or determined by a court or arbitral award. None have been cited to the Tribunal. The Tribunal is aware that payments of sums claimed have been made by the Applicants to the Respondents but 'under protest'. In any event payment of all or part of a charge does not constitute agreeing it or admitting it for the purpose of the legislation or the Tribunal's jurisdiction.

12. Schedule 11 of CLRA 2002 applies to administration charges, which include costs for litigation under leases. Schedule 11 allows the Tribunal to determine whether an administration charge is payable, and if so, the amount, timing, and payer and includes a power under paragraph 5A to reduce or extinguish liability for litigation-related administration charges.

13. Furthermore section 27A(1) of the Landlord and Tenant Act 1985 also similarly provides that an application may be made to the appropriate tribunal for a determination whether a service charge is payable and, if it is, as to (a)the person by whom it is payable, (b)the person to whom it is payable, (c)the amount which is payable, (d)the date at or by which it is payable, and (e)the manner in which it is payable. Section 27A(2) of the Landlord and Tenant Act 1985 provides that subsection (1) applies whether or not any payment has been made: C&A Gorrara Ltd v Kenilworth Court Block E RTM Co Ltd [2024] UKUT 81 (LC) applies.

14. Although the application to the Tribunal does not mention section 27A(1) of the Landlord and Tenant Act 1985 the Tribunal has jurisdiction to consider it alongside Schedule 11 of CLRA 2002 not least because an application has been made to the Tribunal under section 20C of the Landlord and Tenant Act 1985: Aviva Investors Ground Rent GP Ltd v Williams & Ors [2023] UKSC 6 applies.

15. Section 20C of the Landlord and Tenant Act 1985 gives the Tribunal power, on application by the tenant, to make an order to the effect that costs are not to be treated as relevant costs to be taken into account in determining the amount of any service charge payable by the tenant or any other person(s) specified in the application. It focuses on future recovery of costs through the service charge mechanism. The Applicants have applied for such an order.

Background Law

16. The Applicants assert that the Respondent is not entitled to claim payment of the service/administration charges in relation to the Flats at the Property as RTM acquired the right to Manage on the 10th of January 2017. The charges claimed by the Respondent are in respect of periods after this date. The Tribunal bundle indicates for periods of years ending 2019 to 2023 inclusive.

17. The right to manage is conferred by Chapter 1 of Part 2 of CLRA 2002. The Act enables long leasehold tenants of residential flats to take over the management of the building of which their flats form part through the medium of a company ("RTM company") of which they are members, in place either of the landlord or any other person upon whom management rights are conferred under the terms of the leases of the flats. The circumstances in which the right arises and the extent of the management functions thereby conferred are prescribed entirely by the statute and are not dependent upon the exercise of judicial discretion, nor subject to any kind of court control or supervision.

18. A RTM company may only manage one building: see Ninety Broomfield Road RTM Co Ltd v Triplerose Ltd [2015] EWCA Civ 282; [2016] 1 WLR 275. This is not an issue before this Tribunal for determination and in any event this condition appears to be satisfied.

19. Chapter 1 of Part 2 of CLRA 2002 begins, under the heading RIGHT TO MANAGE with a brief summary of the right to manage scheme in section 71:

"The right to manage

(1) This Chapter makes provision for the acquisition and exercise of rights in relation to the management of premises to which this Chapter applies by a company which, in accordance with this Chapter, may acquire and exercise those rights (referred to in this Chapter as a RTM company).

(2) The rights are to be acquired and exercised subject to and in accordance with this Chapter and are referred to in this Chapter as the right to manage."

20. The next section of the Chapter is headed EXERCISING RIGHT. It contains the only provisions which in express terms seek to describe the nature and extent of the right to manage, both in positive terms and by way of exception. The relevant sections 96 and 97 are as follows:

" 96 Management functions under leases

(1) This section and section 97 apply in relation to management functions relating to the whole or any part of the premises.

(2) Management functions which a person who is landlord under a lease of the whole or any part of the premises has under the lease are instead functions of the RTM company.

(3) And where a person is party to a lease of the whole or any part of the premises otherwise than as landlord or tenant, management functions of his under the lease are also instead functions of the RTM company.

(4) Accordingly, any provisions of the lease making provision about the relationship of - (a) a person who is landlord under the lease, and (b) a person who is party to the lease otherwise than as landlord or tenant, in relation to such functions do not have effect.

(5) 'Management functions' are functions with respect to services, repairs, maintenance, improvements, insurance and management"

"97 Management functions: supplementary

(1) Any obligation owed by the RTM company by virtue of section 96 to a tenant under a lease of the whole or any part of the premises is also owed to each person who is landlord under the lease.

(2) A person who is - (a) landlord under a lease of the whole or any part of the premises, (b) party to such a lease otherwise than as landlord or tenant, or (c) a manager appointed under Part 2 of the 1987 Act to act in relation to the premises, or any premises containing or contained in the premises, is not entitled to do anything which the RTM company is required or empowered to do under the lease by virtue of section 96, except in accordance with an agreement made by him and the RTM company

(3) But subsection (2) does not prevent any person from insuring the whole or any part of the premises at his own expense."

21. Sections 100 and 101 CLRA 2002 make provision for the RTM company to enforce and monitor the performance of tenants' covenants in leases of the whole or any part of the premises, excluding the enforcement of any right of re-entry. The RTM company is required to report a failure to comply with tenants' covenants to the landlord. This is not an issue for determination before the Tribunal.

22. A fundamental purpose of Schedule 6 of CLRA 2002 is to confer management rights and responsibilities on the RTM company which is accountable to and controlled by the very tenants who will be affected by the conduct of that management, through their right to be members of the RTM company, rather than by either the landlord or a third party manager.

23. CLRA 2002 provides for all the management functions which make up the right to manage to be transferred automatically to the RTM company. It is not open to the RTM company to choose to take over some but not all of the functions that are included in the right and there is no mechanism whereby the court can determine that some of the functions should be left with the landlord or third party manager or transferred to a different entity: FirstPort Property Services Ltd v Settlers Court RTM Company and others [2022] UKSC 1 applies.

Findings and Decision

24. Clause 2(3) of the relevant leases provides:

"To pay to the Lessor each year the further sum equal to fifteen per cent of the yearly maintenance costs as specified in Clause 2(2) hereof by way of administration charge and for the avoidance of doubt it is declared that this payment shall be in addition to the payments charged to the Lessee in accordance with Clause 2(2) hereof"

25. The Tribunal finds this is a variable administration charge within the meaning of paragraphs 1 of Schedule 11 CLRA 2002 thus falling within its jurisdiction. Whilst the percentage is fixed at fifteen percent, the actual amount of the charge it is predicated upon the variable maintenance costs of services specified in Clause 2(2) of the relevant leases which necessarily vary from year to year.

26. In the alternative, section 27A (1) Landlord and Tenant Act 1985 applies to give the Tribunal jurisdiction to determine whether a service charge is payable on the basis that the '*administration charge*' is within the nature of a service charge as defined by section 18(1)(b)

of the Landlord and Tenant A ct1985. That is an amount payable by a tenant as part of or in addition to rent the whole or part of which may vary according to the relevant costs in connection with the matters for which the service charge is payable. The label '*administration charge*' is not determinative of its nature and does not exclude the jurisdiction of the Tribunal see: *Holding & Management (Solitaire) Ltd v Norton [2012] UKUT 1 (LC)* and Garside v RFYC Ltd [2011] UKUT 367 (LC) and Aviva Investors Ground Rent GP Ltd v Williams {2023] UKSC 6.

27. The Tribunal agrees with the Respondent that the landlord's entitlement is contractually based on the yearly maintenance costs incurred in relation to Clause 2(2) of the relevant leases. However, the Tribunal finds that if the landlord or *'Lessor'* no longer incurs those maintenance costs, the contractual basis for the *fifteen per cent* uplift disappears because the percentage is calculated on '*the cost to the Lessor'.*

28. The Tribunal finds that '*the cost to the Lessor'* means on the costs the *'Lessor'* has actually incurred. The Respondent is unable to charge *fifteen per cent* on costs incurred by RTM as opposed to the *'Lessor'* as the clause does not create an independent right to a fixed sum; it is expressed to be a percentage of actual costs incurred by the *'Lessor'* under Clause 2(2) of the relevant leases.

29. Furthermore, an RTM company acquires a statutory right to manage, it does not acquire an estate or interest in land. It does not derive title from or under a landlord or *'Lessor'* nor take an assignment of the landlord's reversion or any proprietary title which is capable of being interpreted as falling within a definition of *'Lessor'*. The reasoning in *56 Westbourne Terrace RTM Company Limited v Polturak and Ors* [2025] UKUT 88 (LC) applies. Clause 8 (a) of the relevant leases provides that 'the expression 'the Lessor' shall include the person for the time being entitled to the reversion immediately expectant on the determination of the term'. Therefore, the costs incurred by RTM under Clause 2(2) of the relevant leases are not costs incurred by the *'Lessor'*.

30. The Tribunal accepts that under CLRA 2002 the Respondent retains certain functions in respect of the relevant leases but the functions identified by the Respondent namely the right to enforce tenant covenants; the right to be served with notices of assignment, underletting, charge, devolution of title; and the right to collect and recover ground rent are (with one exception) not be found in Clause 2(2) of the relevant leases upon which the service/administration charge in Clause 2(3) is based and upon which this application is made.

31. The Tribunal has confined itself to a consideration and determination of the issues under clause 2(3) of the relevant leases. Arrears of ground rent lawfully and properly due may be recovered by the Respondents under other provisions of the relevant leases. However, clause 2(2)(ix) of the relevant leases does allow for payment to the Lessor of a fair proportion of the cost (to be determined by the Lessor) of the fees of the Lessor's managing agents for the collection of the rents of the flats. The Tribunal also notes that the 'Administration Charges - Summary of Tenants' Rights and Obligations' attached to the 'Notice to long Leaseholders of

Rent Due' applies in England and not in Wales. Further, they are not accompanied by the Welsh Language version.

32. The Respondent has cited Crosspite Ltd v Sachdev & Ors [2012] UKUT 321 (LC) and Gala Unity Ltd v Ariadne Road RTM Co Ltd [2012] EWCA Civ 1372 in support of its claim to recovery of the service/administration charge under Clause 2(3) of the relevant leases. However, the Tribunal finds that these cases do not support the Respondents claim. Crosspite did not involve recovery where a RTM Company had been appointed and Gala Unity concerned itself with the question of whether the right to manage extends to appurtenant property which is an entirely unrelated issue to the issues to be determined by this Tribunal in relation to this application.

33. Following the appointment of RTM under Section 98 of the CLRA 2002, the Respondent ceased to provide services under Clause 2(2) of the relevant leases and incur maintenance costs in respect of services responsibility for which has been transferred to RTM. The Tribunal therefore determines that the Applicants are not liable to pay the service/administration charges relating to maintenance costs claimed by the Respondent pursuant to Clause 2(3) of the relevant leases. The Tribunal do not however accept that the RTM can be correctly described as now being the '*beneficiary of clause 2(3)*' as suggested on behalf of the Applicants in their Skeleton argument. Functions only are statutorily transferred by s.96 CLRA 2002.

34. The Applicants through their Skeleton Argument invited the Tribunal to record in its determination and identify the sums that are not payable by the Applicants. As noted in paragraph 30 above the recovery of arrears of ground rent lawfully and properly due is not within the scope of this Application relating as it does to clause 2(3) of the relevant leases and the Tribunal make no finding or determination in relation to the issue of ground rent and its recovery beyond noting that clause 2(2)(ix) of the relevant leases which allows for payment to the Lessor of a fair proportion of the cost (to be determined by the Lessor) of the fees of the Lessor's managing agents for the collection of the rents of the flats cannot fairly be described as a 'maintenance cost' for the purpose of clause 2(3) of the relevant leases.

35. The Tribunal determines that the Applicants are not liable for the service/administration charges claimed under Clause 2(3) relating to maintenance costs for the reasons set out above. These are referred to Landlord fees (Clause 2 subclause (3)) in the relevant 'Application for Payment'. Accordingly, any costs incurred by the Respondent in relation to this claim relating to Clause 2(3) of the relevant leases should not be recoverable through service charges, as doing so would undermine the Tribunal's determination and the statutory protections given to tenants: De Havilland Studios Ltd v Peries [2017] UKUT 322 (LC) applies.

36. Given the above determination it is unnecessary for the Tribunal to consider or assess the reasonableness of the amount of any charge claimed by the Respondent pursuant to Clause 2(3) of the relevant leases.

37. Therefore upon the application of the Applicants and having regard to the Tribunal's findings, the Tribunal orders pursuant to Section 20C of the Landlord and Tenant Act 1985 that the costs incurred, or to be incurred, by the Respondent in connection with these proceedings shall not be regarded as relevant costs to be taken into account in determining the amount of any service charge payable by the Applicants or by any other person specified in this application.

38. Schedule 11 of CLRA 2002 applies to administration charges, which include costs for litigation under leases and includes a power under paragraph 5A to reduce or extinguish liability for litigation-related administration charges. The Tribunal orders that any such liability for litigation-related administration charges in relation to these proceedings is also hereby extinguished.

39. The Applicants invited the Tribunal to order the Respondent to pay the sum of £500 to the Applicants given the vexatious conduct of the Respondent in these proceedings. Schedule 12, Paragraph 10 of the Commonhold and Leasehold Reform Act 2002 states:

"The tribunal may make an order requiring a party to pay to another party such sum (not exceeding £500) as the tribunal considers appropriate by way of compensation for costs incurred, if satisfied that—(a) the application was dismissed because it was frivolous or vexatious or otherwise an abuse of process; or (b) a person has acted frivolously, vexatiously, abusively, disruptively or otherwise unreasonably in connection with the proceedings."

This is a discretionary power exercised sparingly. The Tribunal determines having considered relevant decisions including Coogan & Anor v Taheri & Anor [2025] UKUT 293 (LC) that the Respondents conduct or behaviour does not meet the statutory threshold in this particular matter. The citation of irrelevant authorities particularly in the context of litigants in person does not constitute acting *frivolously, vexatiously, abusively, disruptively or otherwise unreasonably in connection with the proceedings.*

Dated this 16th day of December 2025

Tribunal Judge Michael Draper