Residential Property Tribunal for Wales

Y Tribiwnlys Eiddo Preswyl

Leasehold Valuation Tribunal

Reference LVT/0046/12/24

In the matter of 40 Bath Street Rhyl LL18 3LU

And in the matter of an application under s27A, s19 and s20C of the Landlord and Tenant Act 1985

Applicant: Malgorzata Krol

Oladotun Shonowo

Agnes Oyewole

Anne Egbowawa

Respondent: G & O Estates Ltd

Tribunal panel: Gwyn Eirug Davies -Tribunal Judge
Neil Martindale FRICS – Surveyor member
Hywel Jones JP – Lay member

Representation: The Applicants appeared in person

Nasir Adnan and Mohammed Khan of Urbanpoint Property Management Ltd (the Managing Agents) represented the Respondent

This matter was heard by video link on Microsoft Teams on the 3rd February 2026

Decision:

The tribunal finds that the service charges for 2024 are recoverable under the lease but are not reasonable in amount. The total amount (inclusive of the fees of the contract manager, the managing agent and value added tax is reduced to £69476.11 making a total of £11,579.35 per leaseholder.

No section 20C order is made

1. The freehold interest in the property known as 40 Bath Street Rhyl (the Property) is vested in the Respondent. The Property is divided into 6 flats. The Applicants are the owners of the leases for five of the flats as follows:

   Flat 1- Malgorzata Krol
   Flat 2- Oladotun Shonowo
   Flats 3 and 4 – Agnes Oyewole
   Flat 6 – Anne Egbowawa

2. The owner of Flat 5 is not part of the appeal and has not challenged the service charge.

3. Each flat is held under a lease dated the 22nd November 2007 for a term of 125 years commencing on the 1st January 2007. Mr Shonowo, Ms Oyewole and Ms Egbowawa are the original lessees for their respective flats. Ms Krol acquired her leasehold interest by assignment at a later date. The leases for all the flats are drawn in substantially the same terms. The Applicants do not occupy the flats.

4. This application relates to the service charge demand issued on the 24th April 2024 to each of the Applicants to recover the cost of major works undertaken on the building during the service charge period from 1st January 2023 to 31st December 2023. The cost of the major works amount to £138,954.36 which, as with the annual service charge, is divided equally between the owners of the six flats.

5. An undated and unsigned application in standard form LVT6 was issued by Ms Krol on behalf of herself and co applicants in or around December 2024. The application specifies that the Applicants dispute the cost of the major works charged in 2022. It was subsequently established and agreed that the works in question were carried out in 2023, and the application would be read accordingly. The Applicants also seek an order limiting the costs of the Respondent under section 20(c) of the 1985 Act. Having reviewed the papers, the Procedural Chairman issued directions on the 17th December 2024 with amended directions being issued on the 18th March 2025.

6. The Procedural Chairman identified the following issues to be determined, namely:

   i) The service and administration charge for the service charge years
   ii) Whether the requirements of section 21B of the 1985 Act have been complied with and the service and administration charges have been properly demanded
   iii) Whether the costs are payable by reason of section 20B of the 1985 Act
   iv) Whether administration fees claimed are reasonable and payable
   v) Whether an order under section 20C of the 1985 Act should be made.

7. The reference to the 1985 Act means The Landlord and Tenant Act 1985. This Act is referred to as ‘the Act’ in this decision.

8. The relevant sections of the Act for the purposes of this decision are set out below:

Section 27A

27A Liability to pay service charges: jurisdiction

(1) 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.

(2) Subsection (1) applies whether or not any payment has been made.

(3) An application may also be made to the appropriate tribunal for a determination

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.

(4) No application under subsection (1) or (3) may be made in respect of a matter which—

(a) has been agreed or admitted by the tenant,

(b) has been, or is to be, referred to arbitration pursuant to a post-dispute arbitration agreement to which the tenant is a party,

(c) has been the subject of determination by a court, or

(d) has been the subject of determination by an arbitral tribunal pursuant to a post-dispute arbitration agreement.

(5) But the tenant is not to be taken to have agreed or admitted any matter by reason only of having made any payment.

(6) An agreement by the tenant of a dwelling (other than a post-dispute arbitration agreement) is void in so far as it purports to provide for a determination—

(a) in a particular manner, or

(b) on particular evidence,

of any question which may be the subject of an application under subsection (1) or (3).

(7) The jurisdiction conferred on the appropriate tribunal in respect of any matter by virtue of this section is in addition to any jurisdiction of a court in respect of the matter.

Section 20C

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.

(2) The application shall be made—

(a) in the case of court proceedings, to the court before which the proceedings are taking place or, if the application is made after the proceedings are concluded, to the county court; in the case of proceedings before a residential property tribunal, to a leasehold valuation tribunal;

(b) in the case of proceedings before a leasehold valuation tribunal, to the tribunal before which the proceedings are taking place or, if the application is made after the proceedings are concluded, to any leasehold valuation tribunal; in the case of proceedings before the First-tier Tribunal, to the tribunal;

(c) in the case of proceedings before the Upper Tribunal, to the tribunal;

(d) in the case of arbitration proceedings, to the arbitral tribunal or, if the application is made after the proceedings are concluded, to the county court.

(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.

Section 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.

(2A) . . . .

(2B) . . . .

(2C) . . . .

(3) . . . . . .

(4) . . . . . .

(5) If a person takes any proceedings in the High Court in pursuance of any of the provisions of this Act relating to service charges and he could have taken those proceedings in the county court, he shall not be entitled to recover any costs.

Section 20

Limitation of service charges: consultation requirements

(1) Where this section applies to any qualifying works or qualifying long term agreement, the relevant contributions of tenants are limited in accordance with subsection (6) or (7) (or both) unless the consultation requirements have been either—

(a) complied with in relation to the works or agreement, or

(b) except in the case of works to which section 20D applies,] dispensed with in relation to the works or agreement by (or on appeal from) [the appropriate tribunal].

(2) In this section "relevant contribution", in relation to a tenant and any works or agreement, is the amount which he may be required under the terms of his lease to contribute (by the payment of service charges) to relevant costs incurred on carrying out the works or under the agreement.

(3) This section applies to qualifying works if relevant costs incurred on carrying out the works exceed an appropriate amount.

(4) The Secretary of State may by regulations provide that this section applies to a qualifying long-term agreement—

(a)if relevant costs incurred under the agreement exceed an appropriate amount, or

(b)if relevant costs incurred under the agreement during a period prescribed by the regulations exceed an appropriate amount.

(5) An appropriate amount is an amount set by regulations made by the Secretary of State; and the regulations may make provision for either or both of the following to be an appropriate amount—

(a) an amount prescribed by, or determined in accordance with, the regulations, and

(b) an amount which results in the relevant contribution of any one or more tenants being an amount prescribed by, or determined in accordance with, the regulations.

(6) Where an appropriate amount is set by virtue of paragraph (a) of subsection (5), the amount of the relevant costs incurred on carrying out the works or under the agreement which may be taken into account in determining the relevant contributions of tenants is limited to the appropriate amount.

(7) Where an appropriate amount is set by virtue of paragraph (b) of that subsection, the amount of the relevant contribution of the tenant, or each of the tenants, whose relevant contribution would otherwise exceed the amount prescribed by, or determined in accordance with, the regulations is limited to the amount so prescribed or determined.

9. A Lessor can only raise a service charge if the lease in question authorises the recovery of expenditure by way of a service charge. All the leases for the Property are in substantially the same form. The recitals to those leases contain (inter alia) the following definitions:
1.10 'the Maintained Property' means those parts of the Building and the Estate which are particularly described in the Second Schedule hereto the maintenance of which is the responsibility of the Lessor and to the costs of which maintenance lessees of the Flats contribute as hereinafter appears.

1.11 'The Term' means 125 years commencing on 1st January 2007

1.12 'The Maintenance Expenses' means the moneys actually expended or reserved for future expenditure by or on behalf of the Lessor at all times during the Term hereby granted in carrying out obligations specified in the Fifth Schedule hereto

1.13 'The Service charge means the total of the Maintenance Expenses for each year of the Term

1.14 'The Common parts means the areas and amenities in the Estate available for use in common by the lessee and occupiers of the Building and all persons authorised by them including the pedestrian ways forecourts landscaped areas entrance halls passages landings staircases and areas designated for the keeping and collecting of refuse

1.15 'The Lessee's Proportion' means a one-fourteenth share of the Maintenance Expenses

1.16 'Service Installations' means sewers drains channels pipes watercourses gutters mains wires cables conduit aerials satellite dishes tanks apparatus for the supply of water electricity gas or telephone signals or for the disposal of foul or surface water

10. The Second Schedule to the leases defines the 'Maintained Property':

1. *The main structural parts of the Building including but not by way of limitation the roofs walls foundations floors all walls bounding or withing individual flats (other than non-structural walls) and window frames in the Flats and all external parts of the Building including fascias balconies (if any) and ironwork thereon and external doors.*

2. *All Service Installations serving the Building or the Estate as a whole so far as not maintainable by the relevant authority and not used solely for the purpose of any individual flat BUT EXCEPTING AND EXCLUDING the glass in the windows of the individual flats and interior joinery plasterwork tiling and other surfaces walls and floors (including the joist slabs or beams supporting the same) and the ceilings up to the underside of the joist slabs or beams to which the same are affixed of the flats and service Installations which are exclusively serve individual flats or the entry doors of the Flats.*
3. *The Common Parts*

4. *The Service Installations (including in particular the Lessor's lighting and power circuits points and fittings) so far as the same serve the Common Parts*

11. The Fifth Schedule to the leases defines ‘The Maintenance Expenses’

1. Repairing rebuilding repainting improving maintaining operating inspecting or otherwise treating as necessary and keeping the Maintained Property and every part thereof in good and substantial repair order and condition and renewing and replacing all worn or damaged parts thereto

2. Redecorating the Maintained Property so often as in the opinion of the Lessor being necessary but at least once in every four years

3. Payin all rates taxes duties charges (including water Charges) assessment sand outgoings whatsoever (whether parliamentary parochial local or of any other description) assessed charged or imposed upon or payable in respect of the Maintained Property or any part thereof except in so far as the same are the responsibility of the individual lessee of any of the Other Flats

4. The provision maintenance renewal and insurance of firefighting appliances communal television aerials satellite dishes and such other equipment relating to the Building as the Lessor may from time to time consider necessary or desirable for the carrying out of acts and things mentioned in this Schedule

5. Abating any nuisance and executing such works as may be necessary for complying with any notice served by a local authority in connection with the Maintained Property or any part thereof in so far as the same is not the liability of or attributable to any individual lessee of any of the Flats

6. Providing and paying such persons as may be necessary in connection with the upkeep of the Maintained Property

7. Such sum as shall be considered necessary by the Lessor (whose decision shall be final) to provide a reserve fund or funds for items of future expenditure to be or expected to be incurred at any time I connection with the Maintained Property

8. Generally managing and administering the Maintained Property and protecting the amenities of the Building and for that purpose if necessary, employing a firm of managing agents and paying their fees and disbursements for so doing

9. Complying with the requirement sand directions of any competent authority and with the provisions of all statutes and all regulations orders and byelaws made thereunder relating to the Maintained Property in so far as such compliance is not the responsibility of the lessee or owner of any of the Other Flats

10. Repairing maintaining inspecting operating (including paying for the supply of electricity) and as necessary reinstating or renewing the service Installations forming part of the Maintained Property

11. Keeping the Common Parts in a clean and tidy condition and lighted as may be necessary

12. Providing maintaining and renewing such security entry systems as the Lessor shall consider desirable

13. Maintaining and repairing and when necessary, reinstating the footpaths and roadways on the Estate

14. Keeping the garden areas within the Common parts well cultivated and planted

15.Doing any of the acts or providing any services under any of the clause contained in this Schedule as are relevant and applicable to the Common Parts

16. Paying any value added tax chargeable in respect of any of the matters referred to in this part of this Schedule

17. Paying to the Lessor on demand (to be made not more than one month prior to the annual renewal date) the cost of effecting insurance pursuant to Clause 5.2 of this Lease and whenever reasonable required by the lessee producing to the Lessee details of the insurance cover effected by the Lessor

18. Enforcing or attempting to enforce the observance of the covenants on the part of any lessee of any of the Flats

19. The provision maintenance and renewal of any other equipment and provision of any other service or facility which in the opinion of the Lessor it is reasonable to provide it.

20. Preparing and supplying to the lessees of all or any of the Flats copies of any regulations made by the Lessor governing the use of the Flats

21. Employing a qualified accountant for the purpose of auditing the accounts in respect of the Service Charge and certifying the total amount thereof for the period to which the account relates

22. All expenses incurred in maintaining the statutory books and other records of the Lessor including paying any fees incurred by the Lessor in that respect

23.All other expenses (if any) incurred by the Lessor in and about the maintenance and proper and convenient management and running of the Maintained Property including in particular but without prejudice to the generality of the foregoing any expenses incurred in rectifying or making good any inherent structural defect in the building (but only so far as any such defect is not covered by the insurance effected by the Lessor) any interest paid or any money borrowed by the Lessor to defray any expenses incurred by it and specified in this Schedule any costs imposed on the Lessor in accordance with Paragraph 3 of the Sixth Schedule hereto any legal or other costs bona fide incurred by the Lessor and otherwise not recovered in taking or defending proceedings (including any arbitration) arising out of any lease of any part of the Building or any claim by or against any lessee or tenant thereof or by any third party against the Lessor as owner lessee or occupier of any part of the Maintained Property.

12. The Sixth Schedule sets out how and when the service charge is to be paid. It is not necessary to set out the details in full. Payment of the Service Charge may be demanded annually and paid by the lessees either twice yearly or on a monthly basis.

13. The Seventh Schedule sets out the 'Covenants by the Lessee', one of which is 'To pay to the Lessor the Lessee's Proportion of the Service Charge at the times and in the manner herein provided and without any deductions.'

14. Somewhat strangely the original leases provided that the lessees were each to pay one fourteenth of the Maintenance Expenses. However, a Deed of Variation has been executed by each flat owner, on various dates, whereby each lessee is to pay one sixth of the Maintenance Expenses. There is no dispute that the Service Charge is shared in that proportion between the lessees.

15. Notwithstanding that the application states that the challenge is to the major works carried out in 2022, we are satisfied that this an error as the 'major works' referred to were carried out between March 2023 and June 2023. The cost of the major works then appears in the service charge demand issued to each leaseholder in April 2024. We approach the application on the basis that the challenge is limited to reasonableness of the major works undertaken and the reasonableness of the cost thereof. Whilst there is some mention about other aspects of the service charge it is not clearly specified in the application or any statement of evidence, and no evidence was adduced to challenge other routine annual charges. We did not consider any other charges at the hearing.

16. We are satisfied that the demand for payment of the service charge complies with the requirements of section 21B of the Act in that it is accompanied by 'a Summary of the rights and obligations of tenants of dwellings in relation to service charges.' In addition, the notice complies with the requirements of **The Service Charges (Summary of Rights and Obligations and**

Transitional Provisions (Wales) Regulations 2007 as it contains the prescribed wording as set out in regulation 3 in both Welsh and English.

17. Given that major works were involved then the Lessor was obliged to follow the section 20 consultation process. On the 30th March 2022 Praxis Block Management then the managing agents for the previous lessor namely G & O Properties (London) Ltd, gave notice to the Applicants of an intention to carry out works described as 'Internal & External Repairs and Redecorations' to the Property. The notice was sent to each leaseholder by post at their home address. Observations were invited before the end of the consultation period on 6th May 2022. The notices were accompanied by the relevant guidance notes and a pro forma upon which observations could be noted and submitted to the managing agents. Nothing further appears to have happened until 10th February 2023 when the current managing agents Urbanpoint Property Management acting on behalf of the current freeholder, the Respondent, served a Section 20, Stage 2 Notice on all the leaseholders in by post at the same addresses. The notice informed the Applicants that tenders had been received for the proposed works and that the appointed surveyors Wand Projects Ltd recommended progressing with the quotation provided by Constfix Ltd, which was the cheapest of the two quotations obtained. Details of where the documents could be inspected were provided together with confirmation that the consultation period ended on the 16th March 2023. The managing agents wrote again to the Applicants on 21st March 2023 confirming that the contractor had been instructed to carry out the works. The works were then carried out between March and May 2023

18. During the hearing the Applicants raised for the first time that they had not been consulted about the works. The issue of a lack of consultation was raised by Mr Shonowo which then led to the others joining in to make a similar suggestion. The Respondent however states that they have followed the prescribed consultation process fully.

19. This therefore raises the question of whether the Applicants were properly served with notice of the proposed major works. In this regard we start at clause 5.6 of the leases which provides *"Section 196 Law of Property Act 1925 shall apply to any notice demand or instrument authorised to be served hereunder and any notice served by the Lessor shall be sufficiently served by an agent of the Lessor."*

20. Section 196 Law of Property Act 1925 reads as follows:

Regulations respecting notices.
(1) Any notice required or authorised to be served or given by this Act shall be in writing.
(2) Any notice required or authorised by this Act to be served on a lessee or mortgagor shall be sufficient, although only addressed to the lessee or mortgagor by that designation, without his name, or generally to the persons interested, without any name, and notwithstanding that any person to be affected by the notice is absent, under disability, unborn, or unascertained.

(3) Any notice required or authorised by this Act to be served shall be sufficiently served if it is left at the last-known place of abode or business in the United Kingdom of the lessee, lessor, mortgagee, mortgagor, or other person to be served, or, in case of a notice required or authorised to be served on a lessee or mortgagor, is affixed or left for him on the land or any house or building comprised in the lease or mortgage, or, in case of a mining lease, is left for the lessee at the office or counting-house of the mine.
(4) Any notice required or authorised by this Act to be served shall also be sufficiently served, if it is sent by post in a registered letter addressed to the lessee, lessor, mortgagee, mortgagor, or other person to be served, by name, at the aforesaid place of abode or business, office, or counting-house, and if that letter is not returned by the postal operator (within the meaning of Part 3 of the Postal Services Act 2011) concerned undelivered; and that service shall be deemed to be made at the time at which the registered letter would in the ordinary course be delivered.
(5) The provisions of this section shall extend to notices required to be served by any instrument affecting property executed or coming into operation after the commencement of this Act unless a contrary intention appears.
(6) This section does not apply to notices served in proceedings in the court.

21. The trial bundle contains copies of all the notices purportedly sent to each of the Applicants as part of the consultation process. The notices were sent to each individual Applicant at their home address. These addresses are the same addresses to which the annual service charge demands are sent. None of the Applicants appears to have provided the managing agents with any new or alternative address.

22. We are assisted by the principles described in the decisions in **Southwark LBC v Akhtar [2017] UKUT150 (LC**) and **Khan v D'Aubigny [2025] EWCA Civ 11**. At common law a correctly addressed and posted letter is presumed to be delivered unless the recipient can provide sufficient evidence to prove otherwise. In Khan v D'Aubigny the tenant's denial of receipt unsupported by additional evidence failed to rebut the presumption validating the landlord's service of documents.

23. We consider that the wording in clause 5.6 of all the leases is sufficiently widely drawn so as to cover the service of the section 20 notices as they are sent to enable the lessor to do something prescribed by the lease namely to recover the cost of the major works proposed through the service charge. Section 196 therefore applies to the service of the notices in this case.

24. We also note that none of the Applicants mentioned the issue of non-service until the final hearing. There is no mention of this issue in the application form or in the supporting documents submitted with the application. In the Application form, the Applicants allege that freeholder is claiming the cost of work that had not been undertaken and that the work actually done was overcharged. The issue of non-service was not raised at the hearing on the

1st December 2025 which had been listed as a final hearing. Further a copy of the letter sent by the managing agents to Ms Krol on 10th February 2023 is annexed to the application which suggests that she had received correspondence. Having regard to the facts and also to the decisions mentioned above we find that the Respondent complied with the s20 consultation process and that the Applicants were correctly served with the necessary documents as part of that process.

25. We acknowledge that the Applicants were all acting in person and that the tribunal process may be unfamiliar to them. However, we feel obliged to record that they were woefully ill-prepared for the final hearing. The proceedings had been in progress for over 12 months and not one of the Applicants appears to have read the bundle. Not one of the Applicants had considered the specification document containing details of the works carried out and specifying the cost of each item. During the course of the hearing Mr Shonowo suggested that it would be appropriate to adjourn to allow the Applicants an opportunity to instruct a surveyor of their own. Given that the proceedings had been ongoing for over 12 months the application was refused as it was far too late to consider obtaining such expert evidence. It was not in the interest of justice to delay the proceedings any longer.

26. The Applicants did not produce any evidence in support of their allegation that much of the work claimed for had not been done save for a witness statement which is referred to below. In respect of the work that the Applicants claim was overpriced no evidence was produced beyond an estimate for painting and pictures of fire doors available from B&Q.

27. During the hearing the Applicants resorted at times to making outlandish remarks and producing alternative figures from thin air. At times the Applicants were each suggesting different alternative figures. This gave the tribunal the distinct impression that the Applicants were making it up as they went along.

28. On the other hand, the Respondent's representatives' approached matters in a diligent and professional manner. There is also a witness statement from Mr Nasir Adnan dated the 7th January 2026 in the bundle. The Respondent asks the tribunal to conclude that the major works were reasonably incurred, properly demanded and necessary to remedy the deteriorated condition of the building. The Respondent's case relies on the fact that the work was signed off by the supervising architect to establish, firstly, that the all the work claimed for had been done and, secondly that the cost and standard of that work was reasonable. The bundle contains five 'Certificates for Payment' certified by Wand Projects, the contract administrator, for payment of the contract sum to be made in five instalments.

29. There is a document produced by the Respondent entitled 'Statement of Condition Ahead of Major Works' written on the headed paper of Wand Projects who were responsible for supervising the work. This statement is not signed or dated. The heading suggests that this statement was prepared in order to outline the work that was necessary at 40 Bath Street, although

the narrative and the use of the past tense suggests to the tribunal that the statement was prepared after the works had been completed. The order of 1st December 2025 directed para 7 (vii) inter alia that the bundle should contain 'The survey report obtained by the lessor highlighting the defects in the Property and if not available a signed statement explaining why'. This direction was not complied with and therefore we have no clear indication of the state and condition of the property before the major works were caried out.

30. However, it is accepted that the property required some repair and maintenance. Mr Shonowo contacted the Local Authority in April 2022 expressing concern about the lack of maintenance. Ms Krol in her application states that no repair work is ever undertaken by the Lessor.

31. The Respondent argues that by 2022 the property had become a health hazard due to a significant drug problem. We were told that local contractors were unwilling to tender for the work because of the state and condition of the property and the likely difficulty in being able to undertake the work safely. Mr Adnan in his statement describes the work in the following terms "the project was not a cosmetic renovation but a 'Targeted repair' of the building, prioritizing fire safety and structural repairs within the internal and external common parts along with site clearance of accumulated debris and personal items". As local builders were not willing to tender then the net was cast further afield hence the reason that the two estimates obtained were from London based building contractors. However, that does not in itself justify charging London prices for work to be undertaken in North Wales. We bear this in mind when assessing the reasonableness of the charges.

32. The Applicants filed a statement prepared by Mayuran Grunaretnam dated the 23rd April 2025 containing a statement of truth. Mr Grunaretnam states that he was the occupant of flat 2 at the time the works were carried out and that he is a builder by trade. The statement alleges that much of the work contained in the specification was not carried out and that the work that was done is overpriced. This statement is confusing to read. Some of the work that Mr Grunaretnam states was not done had been omitted in any event from the contract and the tribunal has established from its own inspection and from photographs that other work that Mr Grunaretnam claims not to have been done was in fact done. There is also an e-mail from the supervising architect rebutting most if not all of the allegations made by Mr Grunaretnam. We do not consider that we are able to attach much if any weight to this statement.

33. The Respondent's bundle contains an e-mail dated 14th April 2022 from the Local Authority's Senior Public Protection Officer which mentions that Mr Shonowo telephoned the Local Authority's offices expressing concern about the lack of maintenance at the property. The Respondent is suggesting that it is hypocritical for the leaseholders to demand that maintenance be undertaken and then refuse to pay when the work has been done. We do not accept that argument as lessees are perfectly entitled to challenge service charge costs that they consider to be excessive.

34. In essence the Applicants case is that they are challenging the overall cost of the 'major works' undertaken by the Respondent at the Property. The fact that the Applicants did not challenge the proposed cost of the works during the consultation period does not prevent them from challenging the reasonableness of those costs before this tribunal.

35. The only practical way to address matters was to examine each item of the major works undertaken as set out in the document entitled 'Specification Document incorporating Schedule of Works' (the Schedule) starting at page 115 of the hearing bundle.

36. We have considered all the evidence and submissions provided in writing prior to the hearing and all the evidence and submissions presented during the hearing. We have considered the photographs provided by both parties. We also inspected the Property on the 22nd January 2025. Ms Krol, Mr Adnan and Mr Khan were also present during the visit. We have used our own knowledge experience and expertise in making our determination.

37. There is a list at the end of the Schedule itemising work that was not carried out, with the cost ascribed to that work being omitted from the overall calculation. The omitted work is generally identified, located and quantified. This aligns with our own findings during the inspection. The Respondent in addition claims the cost of additional work carried out by the building contractor and we address this work below. More of these additional works may have been found reasonable and payable to the Respondent had they been properly identified, located and quantified

38. To summarise our findings at this stage therefore, i) the claim relates to costs incurred by the Lessor in 2023 and which were charged to the lessees in the 2024 service charge demand, ii) the Lessor is entitled to recover costs through the service charge under the terms of the leases, iii) we are satisfied that the Lessor has followed the correct consultation process as prescribed by section 20 of the Act, iv) the requirements of section 21B of the Act have been complied with, and v) the costs are payable in accordance with section 20B of the Act.

39. The next issue to consider is whether it was reasonable for the work to be undertaken and whether the costs incurred were reasonable. We have applied the two-stage reasonableness test law as referred to in the relevant authorities, **Hounslow LBC v Waaler [2017] EWCA Civ 45**, **Regent Management Ltd v Jones [2010} UKUT (LC)** and **Forcelux v Sweetman and anor [2001] 2EGLR 173,** the test being, was it reasonable to incur the cost of the work and was the cost of that work reasonable.

40. It is clear that the Property had fallen into a state of disrepair. It does not seem that the lessor was complying with the repairing covenants in the leases and Applicants were subletting their flats to tenants who paid little regard to the state and condition of the property. The condition of the Property, which is a listed building, attracted the attention of the Local Authority. Notwithstanding that no survey report describing the state and condition of

the Property before the work was produced, we heard evidence on behalf of the Respondent and from the Applicants on the issue and saw photographic evidence which leads us to conclude that it was reasonable for the Respondent to undertake significant internal and external maintenance.

41. This leaves the question of whether the cost of the work is reasonable. This is considered in the section below, adopting the numbering for each item as set out in the Schedule.

Item	Description/Discussion	Allowed
4.01	The Applicants aver that the workmen were only on site for 2-3 weeks at most. However, the works have been certified by the supervising architect, and we have no reason to doubt the correctness of those certificates. The estimate was for 12 weeks at £500 a week. We consider this to be reasonable	£6,000
4.02	It is not unreasonable to claim for the costs of management and welfare which includes such steps as are required to comply with CDM 2015 Regulations (4.04) and a Portaloo (4.05). This equates to £100 per week.	£1200
4.03	The cost for insurance during the building works is reasonable	£250
4.06	The cost of scaffolding was a contentious issue with the Applicants adamant that no scaffolding was erected to the rear elevation. Photographs taken during the course of the building works show that scaffolding was erected at the front and rear elevation. The Applicants proposed £1000 to cover the cost. The cost of erecting and maintaining scaffolding for the duration of the works is expensive and we consider the overall figure to be reasonable	£3400
4.07	The Applicants argued that only one skip was required. The Applicants were not present when the works were ongoing and it not realistic to expect one skip to suffice for the duration of the works. The number of skips claimed for is reasonable as is the overall cost equating to £90.00 a skip. The Applicants suggested figures ranging from £160 to £200.	£450
4.09	The Applicants argued that a charge of £745 for hacking out any remaining mortar fillets to gable verge and renewing all mortar fillets to front gable was excessive. We consider the charge to be reasonable	£745

4.10	The Applicants state that a charge of £900 for carrying out minor roof overhaul is excessive. This seems to the tribunal to be a reasonable charge.	£900
4.11	The tribunal accepts the argument that a charge of £1000, (i.e. £50 per slate) for the renewal of 20 slates is unreasonable. Slates are available at a much lower price. A sum of £10.00 per slate is more realistic	£200
4.12	We allow the charge claimed for the fixing a of a new barge board	£826
4.13	The Applicants argued that a charge of £750 for cleaning and repointing ridge tiles was excessive. We consider that £500 to a reasonable amount given the extent of the work involved	£500
4.14	The specification provides for the application of 2 coats of liquid waterproofing to the left sided dormer art the front at a cost of £500. The variations to the contract at the end of the Schedule show an additional cost of £750 for stripping and replacing the felt. We consider the total cost of £500 to be reasonable for replacing the felt and the additional amount claimed is disallowed	£500
4.15	The work on the flashing is considered excessive by the Applicants; we consider it to be reasonable	£750
4.16	The cost of party wall compliance paperwork is omitted	
4.17	Applying silicone to the dormer casement is a small and cheap task. The claim of £120 for this simple task is excessive and a lesser sum is allowed	£20
4.18	Although the Applicants suggest that no hammer test of the front elevation was undertaken, we accept that this was done. It is an uncomplicated routine task, and we consider a charge of £150 to be excessive. A lesser sum is allowed	£50
4.19	The provisional sum for a structural engineer was omitted	
4.20	Also omitted	
4.21	Given the extent of the area and the straightforward nature of the task involved we consider a lesser amount to be reasonable	£500
4.22	We consider that the sum claimed for the renewing of hacked off render to be excessive	£475
4.23	The removal of the front porch decorative metal work at a cost of £1,470 is omitted although payment of £800 has been made for this item. Nothing is allowed	

		£0.00
4.24	Repair to asphalt roof is allowed as claimed	£500
4.25	We allow the cost claimed for the liquid waterproofing of the bay roof	£750
4.26	omitted	
4.27	The Applicants suggest that the sum of £100 ought to be allowed for the cost of a day's labour in tidying and clipping front elevation cabling. It was noticeable that a great deal of cabling was connected to the house and a charge of £250 is not unreasonable	£250
4.28	This item is described as 'carry out with the CA of all existing plastic gutters and rainwater goods and to subsequently re-align where required, clear debris, replace leaking joints and end caps, replace any broken wall brackets and to extend ground floor downpipe to right of front door…. Item 4.43 makes similar provision for the rear elevation. This at a total cost of £767.00. Subsequently we see an additional charge of £4680.00 in the contract variations for replacing rainwater goods where damaged poor condition. We should comment that the quality of the work on some of the pipework was of a poor standard. We find the additional charge that is levied to be completely unreasonable and represents gross overcharging. The sum that is claimed at 4 28 is sufficient to cover all the work on repairing and renewal of the rainwater goods	£767
4.29	omitted	
4.30	The Applicants state that the front door was not replaced. However, we are satisfied that this was done although no evidence was provided to support the reasonableness of the cost claimed. The sum of £2500 that is claimed is disproportionate and not reasonable.	£500
4.31	The sum of £2500 is charged for work in the shared passageway. It is unclear if the entire cost of maintaining this shared passageway is a joint liability with the adjoining property. An overall charge of £500 is considered reasonable	£500
4.32	This is the cost of painting the exterior to include painting of masonry and timber and metal work. The Appellants produced an alternative quotation of £4280.00 for painting the exterior of the Building. We consider the sum of £7973.00 claimed to be excessive and will allow the sum set out in the alternative quotation obtained from a local	

	firm as being more reflective of a reasonable market rate in the Rhyl area.	£4280
4.35	The sum of £500 claimed for cleaning windows and doors is not reasonable. We consider half of that sum to be reasonable	£250
4.37	We allow a total of £1000 for the replacement of the 5 gas box cupboards	£1000
4.38	omitted	
4.39	omitted	
4.41	Claim for removal of debris. The Applicants dispute that any clearance was undertaken but the photographs show the rear Yard at the time of the completion of the work to have been cleared and free of debris. The total amount claimed is allowed.	£1200
4.42	Our site inspection indicated that work had been carried out to the roof at the rear	£900
4.44	Clearing gulleys and rodding underground pipework. Amount claimed is allowed.	£600
4.45	Omitted	
4.46	As no underground survey (omitted above) was undertaken then we fail to see how any underground repairs could have been undertaken.	£0
4.47	The cost of repairs to rear flat roofs is allowed	£750
4.48	A charge of £4200 for rebuilding the brick wall adjoining the neighbouring property is excessive and unreasonable given the length and height of the wall. A lesser sum is allowed.	£2000
4.49	We are not satisfied that any removal of trees was undertaken. This is not evidenced in the photographs or borne out by our inspection. One established tree was growing near the boundary. This aspect is disallowed	£0
4.50	This element should have been included with item 4.48 to cover the rebuilding of the wall. If it was a party structure, then the neighbouring property could be expected to pay one half of the cost. The sum allowed at 4.48 in our	

	judgement is sufficient to provide a reasonable amount for all of the work to the wall	£0
4.51	Whilst repointing work was undertaken to the garden walls the sum of £1,600 claimed is unreasonable	£800
4.52	The amount claimed for repaving a small area is excessive. No justification was provided for this amount. A lesser amount is allowed.	£500
4.53	The sum of £9,000 claimed as the cost of replacing three rear doors is excessive and unreasonable. No evidence was provided in support of the claim. The doors were not glazed in any event as indicated in the specification. Allow a lesser amount.	£900
4.54	Metal work repairs to metal staircase at rear. This sum is reasonable for the work involved.	£1500
4.55	omitted	
4.59	Replacing five extractor fans. This sum is a reasonable amount for the metal grills that were subsequently fitted and claimed as additional work.	£100
4.60	omitted	
4.65	Replacement of 6 fire doors (£900 each) at a total cost of £5400 is excessive and unreasonable. No evidence was provided of certification by FIDIS inspector. A cost of £300 per door is considered reasonable	£1800
4.67	2 days labour to carry out plaster repairs and renewals. The amount claimed is not unreasonable	£1157
4.68	It is a statutory requirement to carry out electrical test on common parts. It would be good management practice for a copy of the certificate to be provided to each lessee	£550
4.69	No evidence was provided as to the extent of any electrical work required. The amount charged for electrical work is excessive and half that amount is considered to be a reasonable amount.	£1000
4.70	It will have been necessary to carry out a service and test of fire alarm	£875
4.71	The property is situated on three floors and was fully redecorated. The amount claimed is £4,520. The Applicants provided an estimate from a local painter for £2120. The work envisaged in the local painter's estimate is less than outlined in the Schedule. A lesser sum than	

	that claimed is considered to be reasonable however in the absence of any supporting evidence,	£3750
4.72	The hall stairs and landings and all communal areas were carpeted. No indication is given of the square yardage but a charge of £25 per square metre is made. This is excessive as a perfectly suitable hardwearing carpet would be available at less than half the cost. A lesser amount is allowed	£2000
	Cost variations to contract (not numbered)	
	The sum allowed for 4.14 is in the view of the tribunal a reasonable amount to cover the cost of renewing the felt. The additional cost claimed is not allowed	£0
	Please refer to comments made at item 4.28. The additional amount claimed is unreasonable and is disallowed in its entirety	£0
	Item 4.54 provides a for a provisional sum of £1,500 to cover the cost of repairing the metal staircase at the rear. The contract variations includes an additional sum of £4,860 for repairs to the metal staircase. This makes the total charge £6,360.00. No evidence was provided in support of the costs claimed. We are told that once the metal stairs were inspected then it was discovered that a great deal more work than originally envisaged was required. It would have reasonable to expect the Respondent to provide some evidence regarding the state and condition of the stairs to justify such a significant additional cost. Judging from our inspection the work to the stairs in the main involved patching and renewing various parts of the stairs. Without any evidence to justify the additional cost we find it to be unreasonable, and it is disallowed.	£0
	The additional cost for metal extract fan covers is again unreasonable. It was stated that this additional cost was incurred as the planning officer insisted on metal covers as the property is a listed building. No evidence was produced. The amount already allowed at 4.59 is considered to be a reasonable amount	£0
	Skylight to common parts and re-roof. This should have been included as part of the roof repairs and the amount allowed to cover re-roofing is a reasonable amount to include the cost of this work.	£0

	Minor joiner repair to common parts. This contains no additional information or evidence to justify this additional cost. However, it is noted that joinery repair to the common parts is not claimed elsewhere, although without any further information the amount claimed is unreasonable. A lesser sum is therefore allowed	£1000
	Additional fire door under stairs at a cost of £850. The amount claimed is unreasonable. A lesser amount is allowed.	£300
	The additional sum of £650 claimed for extra decoration is not justifiable and is unreasonable. All the decoration should have been covered in the amount claimed previously.	£0
	It was disputed by the Applicants that any glazing was replaced. In any event under the terms of the leases, the lessees are responsible for the windows in each flat. If the builders broke glass during the course of the work, then it is not reasonable to pass the cost of repair onto the lessees	£0
	The additional costs include several items relating to work in rear garden. The following is claimed as additional expenditure i) extra brick repair to back left wall £1,380, ii) brick repairs to back wall £765, iii) repairs to concrete deck in rear yard £560, iv) concrete to deck beneath rear staircase £450, v) forming new gulleys and associated repairs to rear £470, vi) adding render to back garden wall £1940 and vii) paint to rear walls £870. These additional amounts totalling £6435 are in addition to the sums claimed at (4.48) £4200, (4.49) £750, (4.50) £4960, (4.51) £1600 and (4.52) 1,500 totalling £3,010. This makes the total amount claimed for work in the rear yard £19,445. Having had the benefit of an inspection and not having been provided with any evidence to justify the amounts claimed then we find the sums claimed to be unreasonable. We have already reduced the cost for 4.48 to 4.52 inclusive to £3,300. Looking at the work undertaken to the rear yard as a whole then we allow an additional £1,700 only	£1700
	Structural repairs were carried out to the front of the building in lieu of the work proposed at 4.19 and 4.20. We consider this to be reasonable on the basis that it includes the cost of gap filing and silicone.	£1150
	There is a claim of £870 for gap filing and silicone. We were not provided with any explanation. We have	

	assumed that it relates to repair to the front of the building but consider that the amount claimed above is sufficient to include this aspect also	£0
	An additional sum of £870 for crack repairs. There is no indication of location or any additional information to justify this additional amount.	£0
	Additional external lighting is allowed	£250
	Total Amount Allowed	**£50,345**

42. We were asked by Mr Khan in his final submissions to look at the totality of the work undertaken. We have done so and consider that the amount originally claimed to be unreasonable. We take the view that there has been significant overcharging in some cases. We do not accept the argument of the Respondent that the fact that the work was signed off by the Contract Supervisor is conclusive evidence that the cost incurred is reasonable. The certificate from the Contract manager is merely a demand for payment based upon an invoice delivered by the contractor.

43. The onus is on a landlord to show that the service charges incurred are reasonable. No evidence was provided by the Respondent in this case to justify the charges. The additional works claimed should in particular have been properly identified, located and quantified in order to assist in justifying the reasonableness of the costs charged.

44. There are also the fees of the contract manger and the managing agents to consider. We are satisfied that the percentage fee of 12.5% claimed by the Contract manager is reasonable in all the circumstances. This will however be a reduced amount of £6,293.13 given the reduction in the contract value.

45. We consider that the percentage fee of 5% levied by the managing agents for service of the section 20 notices is excessive. A fee of 2.5% of the contract value is considered reasonable making a total fee of £1,258.63.

46. Therefore, the final calculations are as follows;

Cost of Project	£50,345.00
Contract manager's fee	£6,293.13
Managing agents fee	£1,258.63
Subtotal	£57,896.76

VAT thereon	£11,579.35
Total Cost	**£69476.11**

47. A landlord is usually entitled to charge the costs of the tribunal to the service charge unless otherwise ordered. Notwithstanding the significant reduction in the overall total, we see no reason to depart from the usual practice, and we decline to make a section 20C order.

48. The total amount between each flat owner is therefore £11,579.35.

49. The application is under section 27A of the Act is allowed accordingly.

Dated this 23rd day of March 2026

G E Davies
Tribunal Judge