

FIRST-TIER TRIBUNAL PROPERTY CHAMBER (RESIDENTIAL PROPERTY)

Case Reference : CHI/21UD/LSC/2020/0059

Property : Basement Flat, 109 Marina, St Leonards on

Sea, East Sussex TN38 oBP

Applicant : Gillian Rosenberg

Representative : Mr Afelumo

Respondent : 109 Marina Limited

Representative : Mr Ross, counsel

Type of Application: Determination of liability to pay and

reasonableness of service charges

Tribunal Member(s): Judge D. R. Whitney

Mrs J Coupe FRICS

Date of Hearing : 3rd November 2020

Date of Decision : 13th November 2020

DECISION

Background

- 1. The Applicant is the owner of a leasehold interest in the Property. The Respondent is the owner of the freehold.
- 2. The Applicant made an application challenging various service charges incurred in the years 2017 to 2020. She also sought an equitable set-off and orders pursuant to section 20C of the Landlord and Tenant Act 1985 and paragraph 5A of Schedule 11 of the Commonhold and Leasehold Reform Act 2002.
- 3. Various sets of directions were issued. Ultimately it was directed that each party would submit their own hearing bundle. The Tribunal had a bundle from each and references throughout this decision to A[] are to the Applicants bundle and R[] are to the Respondents bundle.

Hearing

- 4. The hearing took place by CVP with all parties happy to proceed. At the conclusion all parties confirmed they had been given an opportunity to make all the points they wished to make.
- 5. The Tribunal had before it the two bundles and a skeleton argument from each party. The Tribunal confirmed at the outset that they had read all of these documents in preparation for the hearing.
- 6. Ms Rosenberg was represented by Mr Afelumo. The Respondent was represented by Mr Ross of counsel with Mr Silverstone of his instructing solicitors in attendance together with Mrs Sang and Mr Goldman, directors of the Respondent, Ms Allen, the Respondents managing agent and Mr Sang, joint leaseholder with his wife. Mr Patrick Rego, the Respondents expert, attended but it was agreed he would be released until 2pm.
- 7. A preliminary application had been made by the Respondent. It appeared within her bundle Ms Rosenberg had included an expanded statement of case A[44-75]. Mr Ross accepted that this could be admitted on the basis that much was repetition and he would be afforded both an opportunity to cross examine Ms Rosenberg and also ask his witnesses supplemental questions arising from matters raised. The Tribunal confirmed in allowing the document it would not allow fresh issues to be raised that were not included within the original statement of case. It was this original statement of case (annexed to the Respondent counsel's skeleton argument) which set out the issues in dispute.
- 8. The Tribunal confirmed to all parties that the issues for it to adjudicate upon and raised by the Applicant were:

- Cost of major works undertaken in 2017;
- Cost of major works undertaken in 2019;
- Cost of insurance;
- Applicants right to a set off;
- 9. Mr Ross explained that the Respondent conceded that they could not claim for improvements. Further he explained that his client accepted that the works which the Tribunal could determine where the service charges and in respect of the 2019 damp proofing works it was now suggested only some £6,437.98 is directly payable by the two leaseholders of the basement. Mr Ross conceded that his client had no contractual method of recovering this sum and it was not a matter for the Tribunal to adjudicate upon.
- 10. The Tribunal explained the concessions to Mr Afelumo. Mr Afelumo was happy to proceed on this basis.
- 11. The below is a summary of the conduct of the hearing which took place.
- 12. Mr Afelumo explained how Ms Rosenberg had been complaining to the managing agent for the previous freeholder. She had made them aware of the damp issues affecting her flat and he suggested that they had told Ms Rosenberg they had been advised to do nothing about it but to leave until the now Respondent had completed their purchase of the freehold. Ms Rosenberg had undertaken a number of internal refurbishments in the hope of being able to let the Property but it had quickly deteriorated.
- 13. It was suggested that after the completion of the purchase whilst works were undertaken by the Respondent other works which in the Applicants submission were not as necessary as works to her flat were undertaken. It was her case that if works had been done sooner her flat would have been made useable a long time ago. It was the Applicants case that her flat was uninhabitable primarily due to damp penetration.
- 14. Mr Afelumo explained that Ms Rosenberg had employed two surveyors to look at the works required who gave advice which conflicted with that of the Respondent. He suggested that Ms Rosenberg had attempted to mediate and collaborate with the Respondent to reach a consensus. She had incurred losses including loss of rent and solicitors costs which he said exceeded £60,000.
- 15. Mr Afelumo conceded that demands had been properly issued for the sums in dispute and the Respondent had complied with the requirements of section 20 in respect of consultation.
- 16. Ms Rosenberg then gave evidence. Ms Rosenberg confirmed that the contents of her statement of case A[44-75] was true. Ms Rosenberg

explained that [60-74] were repetition of earlier parts of the statement. This was accepted as her evidence in chief.

- 17. Mr Ross cross examined Ms Rosenberg.
- 18. She confirmed she had never lived in the flat as it was an investment property and had not been significantly let over the past 5 years. Until 2015 the Property had been privately let but due to disrepair at the building tenants had left. She had then subsequently secured a 5 year tenancy with the YMCA who had used and occupied the premises for about 8 months but they had not been in occupation for just over three years.
- 19. She confirmed that she had a couple of other flats as well as the subject property.
- 20.Ms Rosenberg accepted that roof works were undertaken in 2015. She understood these did involve Tribunal proceedings although she was not a party to the same.
- 21. Ms Rosenberg stated that the building had needed a proper survey to work out what works were required. She was not able to identify the problem leading to the issues with her flat and only now realised what a complicated position the issue with the damp in her flat was. Ms Rosenberg accepted she had been naïve in her approach.
- 22. Water had been penetrating the west, flank wall. All the walls were wet. She did accept that some water penetration had occurred as a result of plumbing issues in the flats above her own.
- 23. Ms Rosenberg could not recall if Colin Norman (whose report was at R[286]) had been in her flat. Ms Rosenberg accepted having looked at the report that he must have accessed her flat.
- 24. Ms Rosenberg did at this point confirm she had not read all of the documents within the bundle although many, including Colin Normans report, she had seen previously. The Tribunal adjourned for a break at this point. Ms Rosenberg was urged to look at the Colin Norman report, the two reports from her own surveyors and those of Mr Rego. The Tribunal explained that Mr Ross may wish to ask her questions and her answers may affect the findings which the Tribunal would be asked to make. The Tribunal confirmed that notwithstanding that she was in the middle of giving evidence she could discuss matters with Mr Afelumo. Mr Ross confirmed he agreed in the circumstances of the case this would be appropriate.
- 25. The Tribunal adjourned for just over 15 minutes but upon return Ms Rosenberg was experiencing some difficulties being heard. These issues continued and the Tribunal adjourned until 12.05 to resolve the technical issues.

- 26. Upon resumption Ms Rosenberg could be heard.
- 27. Mr Ross explained to the Tribunal that he had certain insurance documents which he would share with all parties by email. He explained that the figures within Ms Allens statement for the insurance were incorrect. The Tribunal indicated to Mr Afelumo he would need to look at these insurance documents and discuss with Ms Rosenberg to take instructions on these.
- 28.Ms Rosenberg explained she had not read the documents within the break. The Tribunal shared a screen throughout the cross examination to show any and all documents referred to.
- 29. Ms Rosenberg conceded that Mr Norman had referred to cracking of the render in the flank wall. She accepted that this did need work undertaking but was in her evidence one of many issues. She did not know if the flat roof at the building was above her flat. Ms Rosenberg suggested she relied on the Respondent to decide what works were required to prevent the water ingress to her flat and to sort it out.
- 30.Ms Rosenberg explained that she had instructed solicitors to ensure that works were undertaken urgently due to the damage to her flat. She stated that she did not understand the process and hence had not made a contribution towards the costs. She had involved solicitors as she felt that personally she was getting nowhere in resolving the issues.
- 31. Ms Rosenberg stated that the works she had undertaken by Mr Turner were not emergency works to remedy any defect with the damp course but works of refurbishment. She believed that it had been agreed that the Respondent would be undertaking works but in her evidence they did not do so. She wanted the flat made water tight so she could let the same. Mr Turners works R[297] whilst including works to rod drains and do some external works were simply to make her flat available for letting.
- 32. Ms Rosenberg explained whilst a draft settlement agreement was drawn up following the letter from her solicitor indicating terms had been agreed she never signed it. It was sent to her but she stated she changed her mind (R[446] letter Applicants then solicitors to the Respondent).
- 33. Ms Rosenberg accepted certain sums had been credited off her account by the Respondent but she stated it was never said to be as part of the settlement. She did not accept an agreement was reached.
- 34. She confirmed that she had sub-let the flat to the YMCA in or about Feb 2017. She was referred to her lease R[199-225]. She stated she was not aware of the requirement under the user clause to only allow the flat to be used as "a self contained residential flat in one family occupation only." She stated that the YMCA may have placed a family in the flat but she was not sure.

- 35. She accepted the police may have been called out but she was never advised. She was told by Carlton (the managing agents) and contacted the police who advised that there was no damage and just some raised voices.
- 36.Ms Rosenberg accepted she had received and seen the statement of estimates for the major works R[450]. She had not made any observations as this was "above her remit". She stated she did not understand such matters and felt it was the job of the block agent.
- 37. Ms Rosenberg accepted since the Respondent had owned the freehold from the middle of 2017 she had made only one payment to it.
- 38.Ms Rosenberg stated she co-operated with allowing access. She just wanted her flat to be made water tight.
- 39. Ms Rosenberg accepted that all the surveyors including the two she commissioned seemed to be saying different things.
- 40. The Tribunal adjourned for lunch at 13.10.
- 41. At 14.00 the Tribunal resumed.
- 42. Upon questioning by the Tribunal Ms Rosenberg explained the agreement with the YMCA was still in existence although she believed given the flat had been vacant for 3 years and was still uninhabitable she could now end the same.
- 43. The Tribunal agreed to admit four documents supplied by Mr Ross re insurance. Three being letters not on headed notepaper and signed by a Paul Cronin and the last being a document called General Ledger.
- 44. Mr Afelumo made further submissions. He suggested it was clear from Mr Rego's report that the damp proofing was a big job and the Applicant had suffered loss and stress which could have been avoided if works had been done sooner. In her opinion it was for the management to have undertaken all of the works.
- 45. He believed that under section 20B of the Landlord and Tenant Act 1985 ("Section 20B") given the freeholder had not undertaken works they were required to do within 18 months of being notified by the Applicant they could not recover the costs of the same.
- 46. The Judge explained to Mr Afelumo that Section 20B applied to provide a time limit for charging the Applicant for works undertaken so that the Respondent must notify the Applicant of her liability within 18 months of when costs were invoiced to the freeholder.
- 47. Mr Afelumo checked with Ms Rosenberg and confirmed that this was the totality of her case.

- 48.Mr Ross opened the case for the Respondent. He suggested that the issue really was whether the course of action undertaken by the Respondent was reasonable and should there be a set off? He stated that the Tribunal should view matters from the eyes of the Respondent taking over management and looking to move forward.
- 49. Mr Ross stated that the Respondents suggest the Applicant is bound by the settlement in June 2017 and so if she has any set-off, which is denied, then it only applies from that date.
- 50.Mr Ross called Mr Rego. His report dated 24th September 2020 was at R[53]. He confirmed that he had signed the same and it was true. Likewise his report of 13th July 2018 R[63] and 26th August 2018 R[98].
- 51. Mr Afelumo asked various questions by way of cross examination.
- 52. Mr Rego confirmed he was satisfied that his reports were accurate and based upon a snapshot at the time he inspected. He was not surprised all three surveyors suggested slightly different things. All three will have applied their own professional judgement to any findings they made.
- 53. Mr Rego accepted the damage to the Applicants flat would have occurred over a number of years. He could not say when the existing system had failed but accepted that if left unattended will only continue to get worse. Mr Rego made the point the flat is constructed below ground with poor ventilation and has been unoccupied for some time and so he would expect deterioration.
- 54. Mr Rego explained his initial instruction was to look at issues arising from drainage problems. Whilst he identified certain drainage issues he identified that there was more serious water penetration issues at the flat. He was able, in an airing cupboard, to see the damp membrane and following destructive opening up could see that there was poor detailing to the membranes fitted which was likely leading to water penetration.
- 55. Mr Ross then called Mrs Sang. She confirmed the contents of her witness statement and that she had signed it electronically R[23-40].
- 56. Mr Afelumo cross examined her.
- 57. Mrs Sang confirmed that when the Respondent was looking to exercise its statutory right to enfranchise and acquire the freehold that various flats were suffering from damp issues. Upon completion her priority was to have Colin Norman complete a survey so they could work out what needed undertaking and the best way to program any works to the benefit of all.

- 58.Mrs Sang stated that Mr Norman identified a problem with the roof, issues with the render and some drainage issues relating to the courtyard at the rear adjacent to the Applicants flat. The Respondent had these works done. It then instructed Patrick Rego to consider what further works were required given the damp had not been eradicated by the initial works. Certainly it appeared that having the first set of works had improved matters.
- 59. A new surveyor was required as Mr Norman had moved away from the area to Cornwall.
- 60.Mrs Sang believed that the Respondent took a sensible approach guided by the experts appointed.
- 61. Mrs Sang upon being questioned by Mrs Coupe confirmed as she understood matters all leaseholders were invited to join the collective enfranchisement. Initially 6 flats involved but two withdrew prior to completion. It was difficult as they had to fund service charge arrears. The service charge pot is always low and on occasion she personally has had to loan monies to the company.
- 62.Mr Ross called Ms Rohini Allen, director of Hunt Property Management (previously called Carlton Property Management). Her statement was R[41-52]. She confirmed that in respect of paragraph 34 there were errors on the figures. The total premium for the year 2019/2020 should be £6085.83. For the year 2018/2019 the fee should be £4754.60.
- 63. Save for the above the statement was true. Ms Allen apologised that this was due to error. She stated that the budget figures had been calculated on the basis that no uplift due to the letting to the YMCA.
- 64. Ms Allen explained that the deficit had also been billed although no demands sent to the Applicant since August 2019 due to potential forfeiture action. She confirmed that Notices to satisfy the requirements of section 20B had been served.
- 65. Mr Ross accepted that the sums had not been demanded but invited the Tribunal to agree that subject to a valid demand the sums to be claimed were reasonable.
- 66. At this point the Tribunal adjourned for 15 minute break. Upon resumption Mr Afelumo cross examined Ms Allen.
- 67. She stated that she became aware of issues towards the end of 2016 after Mr Norman had reported. This appeared to indicate that the rear roof may principally be at issue. Mr Norman in his report did highlight that there were other issues which would need investigating and these did include matters in relation to the two basement flats. The report showed that a lot of work was required to the building as a whole.

- 68.Ms Allen explained it took time for her, on behalf of the company, to collect in the funds to undertake the first set of major works.
- 69. Ms Allen believed that a settlement was reached with the Applicant. This was the reason for the credit back to give effect to the settlement.
- 70. Ms Allen confirmed that the Applicant was being charged 12% of the costs being the proportion due under her lease. The re-assessment and credit was applied in December 2019. She did not know why the solicitors for the Respondent when writing to the Applicant had applied the earlier, higher figures, whereby the Respondent had suggested that the two basement flats were directly liable to a larger percentage of the costs which the Respondent had suggested was due to the works being works to cure an inherent defect.
- 71. Mr Afelumo again checked with the Applicant that there were no further questions.
- 72. Ms Allen explained upon questioning by the Tribunal that the letters produced today were from the broker instructed. She explained that 3 flats are sub let, 2 used as secondary accommodation, 2 vacant and the remainder let to DSS tenants. She does not believe any of the flats are let via AirBnb. She explained Aegeas asked for information as to the occupiers and she provided this. The insurers then indicated it would not offer renewal terms due to the letting to the YMCA. She had documents but none were within the bundle.
- 73. Mr Ross then closed his case. He principally relied upon his skeleton argument supplied in advance.
- 74. It was his case that the Respondent adopted a reasonable process seeking to ensure the envelope of the building was water tight and then making further investigations.
- 75. He suggested that it was clear that a settlement was reached with the Applicant. It was the Applicants solicitors who wrote saying the offer was accepted. Only now she is trying to renege. In his submission there was no unreasonable delay on the part of the Respondent. They have been trying to have works undertaken to the Applicants flat but her failure to make payment mean this has not happened.
- 76. As to insurance he suggests we have the evidence of Ms Allen that only one insurer would cover the building and the premium increased substantially. In his opinion this was reasonable and should be payable.
- 77. In respect of section 20C he invited the Tribunal to decline to make an order as otherwise costs may fall on the other leaseholders and that would be inequitable.

- 78. The Tribunal reminded Mr Afelumo this was his final opportunity to make any points he wished to raise.
- 79. Mr Afelumo explained that Ms Rosenberg had struggled with the process. The costs that were being claimed from her were astronomically high. Mr Afelumo suggested that if it had been communicated to Ms Rosenberg in December 2019 that the apportionment of the costs had been re-visited and essentially she was only being asked to pay 12% of the costs then she may have reacted differently.
- 80. The tribunal checked with Mr Afelumo, Ms Rosenberg and Mr Ross that each had said everything they wished to say. They all confirmed this was the case and the Tribunal ended at 17.00.

Determination

- 81. The Tribunal in making its determination has had regard to all of the parties submissions, the evidence within the two bundles, the additional insurance documents submitted in the hearing and the parties respective skeleton arguments.
- 82. As all to frequently this is a sorry case. It involves a building in which some of the leaseholders hold an interest in the freehold although not the Applicant. We are grateful to Mr Ross and Mr Afelumo for making their respective cases in a way which certainly assisted this Tribunal.
- 83. We record that our decision will only deal with matters relating to the liability to pay and reasonableness of service charges. Whilst reference was made to various breaches of the lease by the Applicant these are not matters upon which this Tribunal makes any findings.
- 84. At the outset Mr Afelumo accepted that the demands which the Respondent relied upon had been served and that the Respondent had properly consulted under the provisions of the Landlord and Tenant Act 1985.
- 85.Mr Ross set out clearly the Respondents position in respect of the second set of major works and that they now sought 12% of £110,503.15. Further he accepted that in respect of the "direct costs" claimed from the Applicant totalling £2,945.63 these were not matters for this Tribunal to determine.
- 86. The directions established certain issues we had to determine.
- 87. Firstly, following the concession as set out in paragraph 85 above we are satisfied that the service charges are now being properly apportioned with Ms Rosenberg being required to pay 12% of the service charge costs.

- 88. The Applicant conceded that demands had been validly issued. For completeness we find that no valid demands have been served for any costs after August 2019. This includes the amended costs for the 2019 major works in respect of damp proofing.
- 89. The Applicant suggests that section 20B of the Landlord and Tenant Act 1985 apply to various costs. It was clear from the papers and the evidence that the Respondent had conceded and credited historic matters. In other respects the Applicants understanding of the requirements of section 20B were wrong. This provision applies to prevent a leaseholder being charged for service charges actually incurred more than 18 months prior to any demand unless prior notice has been given. We note the Respondents bundle contains various notices given to the Applicant. We find that section 20B does not apply to any of the service charges being the subject to this decision.
- 90. Turning now to the specific items. We find as a matter of fact that the Respondent has followed a reasonable course in programming the works in the way they have. This is supported by the expert evidence given by Mr Rego and the report of Mr Norman. Ms Rosenberg obtained two surveyors reports A[91- 101]. Neither were called and gave oral evidence. The Tribunal notes that both of these surveyors looked at the issue only from the perspective of the Applicants flat and not the building as a whole. 7H surveyors appear to indicate that works to the Applicants flat alone would cost about £22,000. They also record that the flat appears to be largely dry, suggesting that whilst they identified works were required previous works undertaken have had a positive effect.
- 91. Sussex Surveyors also suggest certain damp proofing works are required. They believe the costs for the Applicants flat alone would be in the order of £5,000 to £8000 plus vat and subject to detailed estimates. This surveyor does record as a general point that he would expect the costs of maintenance of a building such as this to be very expensive.
- 92. What is clear is that the block was in a state of some disrepair when the Respondent acquired its interest. This Tribunal finds that it was reasonable for the Respondent, having recently purchased the freehold to proceed as they did. To attempt to ensure that the envelope of the building was water tight was a reasonable course to follow and was supported by the findings of Mr Colin Norman within his report.
- 93. Ms Rosenberg does not appear to challenge the costs per se, simply that damp proofing works to her flat should have been prioritised. She appears to suggest that undertaking the works in 2017 was not reasonable and may have benefited other flats. Whilst plainly it may be said some flats benefitted more than others as we say we have found that the work undertaken and following this programme was reasonable. Equally we are satisfied that the costs of these works are

- payable and the Applicant is liable for 12% of the costs all of which have been demanded.
- 94. Turning to the damp proofing works we make clear we have no jurisdiction over what are called the "direct costs".
- 95. We found the evidence of Mr Rego to be highly professional and measured. We accept his report and evidence without any hesitation. As mentioned the surveyors used by Ms Rosenberg both seem to suggest works are required and neither had the benefit of reviewing the building as a whole. It seems clear that works are required and everyone accepts they will be expensive. Ms Rosenberg accepted there was a consultation but then said she could not comment as it was too complicated for her. That is as maybe but opportunity was afforded and the Respondent has clearly tried to have works undertaken in a cost effective manner. There would be no benefit to the freeholder in doing otherwise given the members of the freehold company are also leaseholders.
- 96. We find that the sum of £110,503.15 is a reasonable amount and subject to a valid demand Ms Rosenberg would be liable to pay 12% of the same.
- 97. Turning then to the question of the costs of insurance. Ms Rosenberg had challenged the sum from the outset as was apparent from her original statement of case annexed to Mr Ross' skeleton argument. The Tribunal was surprised to note that the Respondents bundle contained no documents relating to the insurance. Even at the hearing only limited further documents were provided.
- 98.It is suggested on behalf of the Respondent that the original insurer refused to provide cover as a result of the Applicants letting to the YMCA. Thereafter only one insurer would provide cover at a much increased premium. Ms Allen appeared to suggest whilst giving evidence that as part of the service charge the Respondent was only seeking the costs of the lower premium that would be charged but for the letting to the YMCA. On instruction Mr Ross stated it was the higher amount which was to be claimed although the demands had not as yet been sent to the Applicant.
- 99. We were told the letters were from a broker. We note they were not on headed paper and the email address for the sender appeared to be some form of personal account. No copies of the policies or the premium receipts were produced. Further there was no copies of any correspondence indicating that the premium had risen due to the YMCA letting by the Applicant or that the insurer would no longer provide cover.
- 100. The Tribunal notes that the Respondent has a professional managing agent and was represented throughout these proceedings. It would have expected some documents to be produced.

- 101. The Applicant contends that the amounts of increase are unreasonable and not justified. We note that Ms Allen in giving evidence stated that other flats are let some, to what she colloquially referred to as DSS tenants, and other flats being vacant and used as second homes.
- 102. We are not satisfied that the insurance premiums claimed under this application as service charges are reasonable. In our determination no evidence has been adduced leading us to find higher premiums and doing the best we can we find that the reasonable premiums payable under the lease by the Applicant are the figures Ms Allen sets out in her statement at R[49] being:

2017/2018	£1820.50
2018/2019	£2187.22
2019/2020	£2,727.56

- 103. We make clear in making this decision we make no findings as to the alleged breach of lease and whether or not any sums may be recovered from the leaseholder as damages. That would be for a different forum.
- 104. This then leaves the question of whether the Applicant is entitled to an equitable set off. Mr Ross in his skeleton concedes that we have such jurisdiction but only in so far as the amounts of the service charge. He invites us to refuse on the basis that his client acted reasonably in planning works and that the Applicant entered into a settlement.
- 105. As we have already found we believe that the Respondent has followed, since they acquired the building, a reasonable programme of works. The separate bundle of photographs plainly show works have been undertaken to bring the building back into repair. The costs of the works which have been undertaken are large and we can see that time will have been taken collecting in monies from leaseholders. We note that under the lease there is not an obligation upon the Respondent to repair unless and until payments are made. The Applicant by her own evidence has made one payment only to the Respondents since they purchased.
- 106. This Tribunal finds that the Respondent has followed a proper course of works and that there is no delay for which the Applicant is entitled to a set off.
- 107. Further if we are wrong on that point we find that no proper evidence of loss has been put forward by the Applicant to assess matters. Whilst her revised statement of case refers to figures in excess of £60,000 no documents to substantiate or explain these figure have been given.

- 108. Finally, the Applicant sought an order pursuant to section 20C of the Landlord and Tenant Act 1985 and paragraph 5A of the Commonhold and Leasehold Reform Act 2002. The first to prevent the Respondent recovering any costs through the service charge from the Applicant and the second to prevent the recovery of any costs as an administration charge from the Applicant.
- 109. Both orders are at the discretion of the Tribunal. It is not the case simply because one party has won or lost as they may perceive that orders should be made. It is clear from the correspondence that the Applicant has challenged matters throughout the Respondents ownership. The Respondent plainly believed they had reached a settlement and have acted in reliance upon that making a credit to the Applicants account. Despite this she has made no payments nor has she engaged in section 20 consultations and the like.
- 110. Both parties have told us how they offered mediation and it was refused by the other party. This is a case which cried out for mediation.
- 111. On balance we decline to make any orders. We make no findings as to whether costs would be recoverable as a service charge or administration charge.

RIGHTS OF APPEAL

- 1. A person wishing to appeal this decision to the Upper Tribunal (Lands Chamber) must seek permission to do so by making written application to the First-tier Tribunal at rpsouthern@justice.gov.uk being the Regional office which has been dealing with the case.
- 2. The application must arrive at the Tribunal within 28 days after the Tribunal sends to the person making the application written reasons for the decision.
- 3. If the person wishing to appeal does not comply with the 28 day time limit, the person shall include with the application for permission to appeal a request for an extension of time and the reason for not complying with the 28 day time limit; the Tribunal will then decide whether to extend time or not to allow the application for permission to appeal to proceed.
- 4. The application for permission to appeal must identify the decision of the Tribunal to which it relates, state the grounds of appeal, and state the result the party making the application is seeking