



**FIRST-TIER TRIBUNAL
PROPERTY CHAMBER
(RESIDENTIAL PROPERTY)**

Case Reference : LON/00BK/LSC/2015/0481

Property : Flat 500 Clive Court, London W9
1SG

Applicant : Corvan (Properties) Limited

Representative : Mr James Sandham (counsel)
instructed by Northover Litigation

Respondent : Ms Maha Ahmed Abdul-Mahmoud

Representative : In person

Type of Application : For the determination of
reasonableness and liability to pay
service charge

Tribunal Members : Judge Pittaway
Mrs L West

**Date and venue of
Hearing** : 27 and 28 April 2016
Reconvene: 27 May 2016
10 Alfred Place, London WC1E 7LR

Date of Decision : 29 June 2016

DECISION

Decisions of the tribunal

1. The accounts were properly certified and served in accordance with the terms of the lease of the property.
2. Section 20B of Landlord and Tenant Act 1985 (the "**1985 Act**") does not limit the payment of the service charge costs the subject of this application; being the referral to the tribunal by the county court.
3. Section 47 of the Landlord and Tenant Act 1987 (the "**1987 Act**") was complied with on 10 July 2013.
4. There were no works which required the landlord to comply with the consultation requirements of Section 20 of the 1985 Act. However the management agreement with True Associates and the current arrangement with Moreland Estate Property Management (JR) Limited ("**Moreland**") are long term qualifying agreements to which the consultation requirements of Section 20 of the 1985 Act apply.
5. The relevant service charge costs were reasonably incurred and reasonable in amount, except
 - 5.1 the cost attributable to the provision of on site staff by the managing agent in excess of £1,000 per month (£12,000 per annum). This cost should be limited to £12,000 per annum;
 - 5.2 there should be no sum charged for "Payroll Prep" as part of the staff costs; and
 - 5.3 management fees payable by the respondent should be limited to £100 per annum for each of the years in question.
6. This matter should now be referred back to the Central London County Court.

The Application

7. Proceedings were originally issued in the County Court at Central London under claim no.A2QZ603D for unpaid rent, service charges, interest and fees. The claim was transferred to this tribunal, by order of District Judge Lightman on 28 August 2015, to determine the extent to which the service charges claimed are payable.
8. An oral case management conference was held on 10 December 2015 where the tribunal identified the following issues to be determined in relation to the service charge years 2010 to 2014 (inclusive);

- 8.1 whether all the accounts were properly certified and served as per the terms of the lease;
- 8.2 whether the costs were payable by reason of section 20B of the 1985 Act;
- 8.3 whether s47 of the 1987 Act had been complied with, and if so when;
- 8.4 if where works had been carried out, the landlord had complied with the consultation requirement under section 20 of the 1985 Act;
- 8.5 whether the relevant charges were reasonably incurred and reasonable in amount;
- 8.6 whether an order under section 20C of the 1985 Act should be made; and
- 8.7 whether an order for reimbursement of application/hearing fees should be made.

The Law

9. The relevant legal provisions are set out in the Appendix to this decision.

The hearing and evidence

10. The bundle before the tribunal included a Scott Schedule.
11. At the start of the hearing the respondent sought to add a further bundle of documents to the six files already before the tribunal. The applicant objected on the basis that it contained documents relating to the County Court proceedings and that not all the relevant witness statements were included. In the absence of any adequate explanation as to why the documents in this bundle could not have been included in the bundle previously delivered to the tribunal the tribunal determined that such bundle should not be included.
12. The applicant was represented by Mr Sandham of counsel. The respondent appeared in person.
13. The tribunal heard evidence from Ms Redway of the landlord's managing agents.
14. Ms Mahmoud did not provide a witness statement nor did she give evidence.
15. Mr Sandham provided the tribunal with a skeleton argument at the start of the hearing, which was the basis for his opening and closing submissions.

16. When it became apparent that the management agreement with the current managing agents, Moreland, was not in the bundle the tribunal requested that the applicant provide this to the tribunal and the respondent after the hearing. On 4 May the tribunal received from the applicant a copy of the management agreement between the applicant and its previous managing agents, True Associates, with a covering letter stating that, "*When the management was transferred to Moreland Estates, Moreland essentially agreed to continue managing the building on the same terms i.e. terminable on 3 months' notice*".
17. In response to a request from the tribunal for further clarification of the basis of charging by the managing agents the applicant's solicitors provided the tribunal with a copy of a letter from Moreland to them, which set out a breakdown of the staff costs. This also stated that the basis of charging had increased from the annual rate of £290 per unit + VAT that was charged when the management agreement with True Associates was entered into in 2008 to £361 per unit + VAT by 2014, which remained the present level of charge. It also set out information as to the current basis of charging for the on site staff costs which the tribunal had not requested and which had not been before the tribunal at the hearing.
18. The respondent made representations following receipt of the management agreement, by a letter to the tribunal dated 19 May. These went to issues on which the tribunal had not requested representations after the hearing.

The background

19. The flat which is the subject of this application is a fifth floor flat in a mansion block on Maida Vale. Mr Sandham drew the tribunal's attention to a floor plan of the block and explained the configuration of the communal areas at ground floor level; in particular the in and out gates used by vehicles and the pedestrian access to the block.
20. Neither party requested an inspection and the tribunal did not consider that one was necessary.
21. The sum of service charge claimed by the Applicant (being the only matter before the tribunal) of £24,420.83 relates to the period from 25 March 2010 to 24 June 2014.
22. It was noted that the Lease of the property dated 3rd November 1988 incorrectly described the premises as being 406A Clive Court, which mistake had been corrected by a subsequent Deed of 29th November 1994. The services that the landlord is required to provide under the Respondent's lease are set out in its Fourth Schedule.

23. The proportion of the total cost to the landlord of providing the services payable by the tenant set out in the lease is "point six eight four per centum per annum" (0.684%) with provision for the landlord or managing agent to recalculate the percentage if necessary or equitable.
24. It was common ground between the parties that this application was limited to a consideration of liability to pay and reasonableness of service charge for the period from 25 March 2010 to 24 June 2014, and that this tribunal had no jurisdiction to deal with administration charges, as they had not been transferred to it by the court.
25. To the extent relevant the tribunal refers to the submissions and evidence that it heard and the documents it considered in reaching its decision in its reasons below. The tribunal also had regard to the decision in *Poynders Court Limited v GLS Property Management Limited* [2012] UKUT 339 (LC) and *Paddington Walk Management Limited v The Governors of Peabody Trust* [2010] L&TR 6.

The tribunal's decision and reasons.

Locus of Ms Redway

26. Ms Mahmoud queried whether Ms Redway could give evidence as to the position when True Associates had been the managing agents (which the tribunal understand was until about 2013). She is a director of the current managing agent Moreland Estate Property Management JR Limited, but had only been an employee of True Associates.
27. Mr Sandham submitted that she had acted as the landlord's agent throughout the period, whether as the employee of True Associates in charge of this block or in her present capacity; that no one else was claiming to be the landlord's agent and that there was nothing to impugn the agency relationship. She is a witness of primary fact.
28. The tribunal accept that Ms Redway has sufficient nexus to speak to the period when True Associates were the managing agents.

Compliance with the terms of the lease

The certificates

29. The certificates issued by Mr Ladenheim for the service charge years in question comply with the requirements of the Lease.
30. The respondent submitted that the Applicant had not complied with the requirements of the lease as to the provision of certificates in the form required by clause 4(iv) of the Lease, which requires, "a certificate....signed by the Lessor's auditors or accountants acting as

experts and not as arbitrators annually and so soon after the end of the Lessor's financial year as may be practicable.."

31. It was Ms Mahmoud's submission that the actual certificates issued by L.B.Ladenheim, stated on the face of those certificates to be a chartered & certified public accountant, did not comply with the requirements of the lease, either because he was not an auditor, or because he was not an accountant as defined by s 21(6) of the 1985 Act.
32. Mr Sandham submitted that the Lease did not require the accountant signing the certificate to be an auditor. He accepted that in some of the certificates Mr Ladenheim had stated that it was "*Accountant's Certificate- s21(6) Landlord and Tenant Act 1985*" but this was not correct. Section 21(6) refers to certification by a qualified accountant only where the tenant has requested a written summary of relevant service charge costs, which was not the context in which the subject certificates had been issued. Mr Sandham also submitted that there was no need for there to be a certificate individually addressed to the Respondent; the lease contemplates that a certificate for the block is prepared and the tenant is then responsible for the relevant percentage attributable to her flat. He also submitted that it was permissible under the lease for major works to be separated out into a separate certificate, so that two certificates were issued for one financial year rather than one.
33. The tribunal determine that the certificates issued comply with the requirements of the lease and do not need to comply with section 21 (6) of the 1985 Act. They accept Mr Sandham's submission that the lease does not require the certifier to be an auditor and that section 21(6) is irrelevant to the certificates provided under the terms of the lease. It is unhelpful that Mr Ladenheim referred to section 21(6) but the tribunal note that he had only done so in the certificate for 2010-11.
34. While not challenged by the Respondent the tribunal agree with Mr Sandham that the lease only contemplates certificates relating to the block, and not individual certificates for each individual tenant. The tribunal notes the interpretation provision in clause 1(vii) of the Lease, which states that "*words in the singular shall include the plural*". Accordingly, while it may be preferable to issue only one certificate in each year the issue of two certificates in certain years is acceptable.

The specified percentage of service charge payable

35. Ms Mahmoud drew the tribunal's attention to the mistaken reference in her lease to flat 406A rather than flat 500 (subsequently rectified by a deed of variation). She therefore submitted that it was possible that the 0.684% specified in her lease was not the correct percentage of service charge attributable to her flat, possibly by reason of subsequently

granted leases of car parking spaces, or that she believed that on occasions this was not the percentage of service charge that she had been charged.

36. Ms Redway stated that the service charge recovered from the block as a whole was 100% of the service charge costs, not more. Mr Sandham submitted that Ms Mahmoud had not demonstrated that more than 100% was being recovered by way of service charge.
37. The tribunal determine that the service charge percentage payable by the Respondent is 0.684%. This is the sum specified in the lease, which under the terms of the lease can only be varied by the landlord or the managing agent and they have not done so. The tribunal had no evidence before it that this percentage was unreasonable.

Treatment of surplus and reserve fund

38. Ms Mahmoud submitted that the landlord was not complying with the terms of the lease in the manner in which any surplus interim service charge was dealt with.
39. Clause 4 (h) provides that any surplus of interim service charge for any year should either be paid to the tenant or allowed against the next interim payment. Clause 4 (f) allows the landlord to include as "expenses and outgoings" *"a sum or sums of money by way of reasonable provision for anticipated expenditure in respect thereof as the Lessor or its auditors or its accountants or its Managing Agents (as the case may be) shall reasonably consider appropriate from time to time to put to reserve to meet the future liability of carrying out major works to Clive Court with the object as far as possible of ensuring that the Service Charge shall not fluctuate substantially in amount from time to time."*
40. The tribunal heard evidence that, except in 2010 when the surplus interim service charge was credited back to the tenants, any surplus service charge was usually added to the reserve fund.
41. The tribunal determine that the landlord may add the surplus on account service charge to the reserve fund at the end of any financial year provided that the sum in question is reasonable and determine that it was reasonable to do so in each of the years in question. The tribunal note that the applicant is not complying strictly with the terms of the lease, under which, if it wishes to use a sum equivalent to the excess of interim service charge over actual expenditure in any year it should expressly allow for it in the next service charge year's interim demands and recommend that the applicant make this clear in the future.

Compliance with s 47 Landlord and Tenant Act 1987

42. The applicant accepts that the demands issued by True Associates failed to comply with section 47; they did not specify the landlord's address, only that of the managing agents. The demand dated 10 July 2013 issued by Moreland Estate Management gave the landlord's registered address and therefore complied with section 47. This demand included the service charge amounts due from 25 March 2010.
43. Section 47 (2) provides that, "*any part of the amount demanded which consists of a service charge... shall be treated for all purposes as not being due from the tenant to the landlord at any time before that information is furnished by the landlord by notice given to the tenant*".
44. Mr Sandham submitted that once the July 2013 demand was issued the sums referred to therein became due.
45. The tribunal accept Mr Sandham's submission. The suspensory effect of section 47 of the demands is a matter that goes to the interest that may be payable on the unpaid sums and that is not a matter for this tribunal.

Section 20B Landlord and Tenant Act 1985

46. With specific reference to *Gilje v Charlegrove Securities* Mr Sandham submitted that section 20B has no relevance to demands on account of service charge; its applicability being limited to balancing charges.
47. It was common ground between the parties that no service charge had been demanded of the Respondent between June 2010 and December 2011.
48. Ms Redway then gave evidence that demands had been served on the Respondent for the four quarters in 2012, supported by dated demands but without other evidence that they had been served on the Respondent. Ms Mahmoud denied having received three of these demands; stating that the first demand that she had received had been that for the December 2012 quarter but provided no evidence to support this contention.
49. Ms Redway gave evidence that the certificates which confirm the expenditure in any service charge year are normally issued around April of the following year.
50. The applicants accepted that if the first demand was served on the respondent in December 2011 that would have included sums for the June September and December quarters in 2010, that by then were sums of actual service charge, rather than demands on account of service charge. If the first demand served on the respondent was that sent in December 2012 that would have included fixed sums for not only three quarters in 2010 but also the four quarters in 2011.

51. Accordingly if the first demand was only served on the respondent in December 2012 to the extent that the demand related to service charges actually incurred before June 2010 the respondent was not liable to pay them. However if the respondent received demands on each quarter day in 2012 the respondent is liable to pay the actual service charge demanded before June 2010.
52. On the evidence before it the tribunal finds that on the balance of probability the respondent had received demands on each quarter day in 2012 and that accordingly section 20B did not preclude any of the actual service charge demanded for 2010, because the sums were demanded within the eighteen month period contemplated by that section.

Section 20 Landlord and Tenant Act 1985

53. The referral from the county court to the tribunal does not refer to the actual service charge for 2014. The tribunal understand that there may have been qualifying works in 2014 but these are outside the scope of the current application.
54. The management agreement with True Associates, provided after the hearing, states at clause 5, that "*the contract period will be for a period of one year from the date of signature and will continue thereafter until terminated upon three months' notice by either party.* Insofar as Moreland is concerned there is no written agreement with them but the applicant's solicitors stated in their letter of 3 May 2016 that the current arrangement is on the same terms as existed with True Associates.
55. At the hearing the respondent submitted that the management agreement was a long term qualifying agreement without any supporting evidence. This was refuted by the applicant at the hearing, again without any supporting evidence. It was only after the hearing that the tribunal were provided with any management agreement and then only one with True Associates; however the applicant stated that the current arrangement with Moreland was on the same basis as the previous arrangement with True Associates and the tribunal have reached their decision on the basis of that statement.
56. The tribunal determine that the wording of clause 5 of the management agreement with True Associates is such that it is a long term qualifying agreement, because on the construction of the wording (and in particular the wording which the tribunal have underlined in paragraph 54 above), it was not terminable earlier than 15 months after it was entered into. In reaching their decision the tribunal have had regard to the Upper Tribunal decision in *Poynders Court Limited v GLS Property Management Limited*, in which it was stated, at paragraph 12,

that "*Whether an agreement is for a term which is more than twelve months depends upon the wording and the substance of the contract.*" The wording of the True Associates agreement is such that it cannot be terminated before the end of fifteen months. In the agreement the subject of the *Paddington Walk* the agreement could be terminated before the end of twelve months; that is not the case with the True Associates agreement.

57. The applicants have submitted that the current unwritten agreement with Moreland is on the same terms as the True Associates management agreement, in particular as to its term. Accordingly the tribunal determine that it too must be a long term qualifying agreement.
58. Where there is no consultation before a long term qualifying agreement is entered into the amount recoverable from the respondent in respect of such agreement is £100 per annum.
59. The tribunal would remind the applicants that the RICS Code of Practice recommends that managing agents and their clients should enter into written contracts detailing duties and the basis of charging and would encourage the applicants to enter into a written agreement with their current managing agents.

Possibility of double-counting

60. The respondent was concerned that there may have been an element of double-counting in the service charge accounts. Ms Redway submitted that, in addition to her own personal review of the ledger, the accountant would pick up any such double-counting at the time of auditing and certifying the accounts.
61. The tribunal accept Ms Redway's submission in the absence of the respondent providing any actual example of the double-counting that she was concerned about.

Recoverability of boiler and central heating cost

62. The respondent queried whether the cost of providing heating and hot water was actually recoverable by way of service charge as the Fourth Schedule of the lease, which sets out the heads of service charge expenditure, does not expressly refer to its provision.
63. Mr Sandham referred the tribunal to clause 4(iv) of the lease under which the tenant covenants to pay

"a proportionate part of the expenses and outgoings incurred by the Lessor in the repair maintenance and renewal of the said buildings at Clive Court and the Reserved Property and the insurance of Clive

Court and the provision of services in the said buildings and the other heads of expenditure as the same are set out in the Fourth Schedule hereto....(hereinafter called "the Service Charge")

And in particular the words underlined above as making the cost of providing heating and the provision of hot water recoverable as part of the service charge.

64. The tribunal agree with Mr Sandham that the wording above means that the cost of heating and hot water is recoverable as a service charge cost.

Reasonableness of items included in the service charge accounts/demands

The tribunal's consideration is limited to the items in respect of which they heard evidence at the hearing.

Staff costs

65. The respondent accepted the desirability of portage for the blocks but queried the reasonableness of the staff costs, both in terms of the staff on the payroll (£138,081 in 2010, £153,605 in 2011, £151,317 in 2012, £145,921 in 2013 and £154,744 in 2014) and the temporary staff costs (£35,387 in 2010, £15,079 in 2011, £18,982 in 2012, £28,356 in 2013 and £35,008 in 2014). The breakdown of staffing costs provided to the tribunal after the hearing showed different figures to those given to the tribunal at the hearing. The tribunal heard evidence from Ms Redway that there were two porters on the payroll and the temporary staff covered holidays and illness of the permanent staff.
66. The tribunal also heard evidence that a member of staff from the managing agents was on site three mornings a week, and that the cost of the presence of this member of staff was included in the payroll element of the service charge, at £1000 per month. This cost was introduced when the head porter had retired. Previously there had been two porters and a head porter. The landlord and the then tenants' association had agreed to a member of the management agent's staff attending on site three mornings a week, instead of the employment of a replacement for the head porter.
67. The respondent did not consider that the evidence provided substantiated the staff costs included in the service charge accounts.
- 68.
- 68.1 The figures given to the tribunal at the hearing for the wages and for temporary staff had been certified by the accountant. The tribunal consider these costs to be high, particularly in the years in which the

wages are stated to be for the salaries of only two porters. However in the absence of evidence to the contrary, the lack of challenge from any other tenants, and given the certification by the accountant, the tribunal have no alternative but to accept as reasonable the cost for wages and temporary staff as given to it at the hearing.

- 68.2 The evidence provided to the tribunal at the hearing was that the cost of providing on site staff from the managing agents was £1000 per month. In the absence of evidence to the contrary the tribunal determine that the sum is reasonable. From the information provided to the tribunal after the hearing (which they had not requested) it is clear that the managing agents have been charging more than £12,000 per annum for their on-site services. As this is information that could have been provided to the tribunal at the hearing (but was not), the tribunal determine that these costs should be limited to £12,000 per annum.
- 68.3 Paragraph 6 of the Fourth Schedule of the lease provides for the recovery of "the fees of the Lessor's managing agents for the collection of the rents of the Flats in the said building or buildings and for general management and administration thereof". The tribunal do not consider that the respondent is liable to contribute to a separate head of expenditure of "Payroll Prep" in addition to the managing agents' fees.

Other costs challenged by the respondent

Boiler and central heating cost

69. The service charge statement for 2011 showed actual expenditure for "Boiler & Central Heating/Hot Water" of £19,000.00. Ms Redway gave evidence that this sum was made up of numerous invoices and related to various works carried out on four old boilers, and that the work was carried out by Thomas Davis, an independent general maintenance contractor.
70. In the absence of any evidence from the respondent to show that the same was unreasonable in 2011 or any other year the tribunal determine the boiler and central heating cost in each year in question to have been reasonable.

Security- door entry & CCTV Repairs & Maintenance

71. This was discussed in the context of the actual charge levied in 2011 of £27,083. The respondent challenged the cost as being unreasonable when judged in the light of the current market. Ms Redway agreed that the cost was high judged in the current market but that this was a long term contract which expires in 2017. She explained that the possibility of terminating the contract early had been explored but that it was not possible to do so at a proportionate cost.

72. In the circumstances the tribunal determine that the current cost is reasonable, noting that any replacement contract is likely to be more cost efficient.

Doors, gates and lock repairs

73. The respondent submitted that the whole of the cost was not properly recoverable by way of service charge as she did not have access through all the gates; in particular those which gave access to the car parking.

74. Mr Sandham submitted that the fact that the respondent did not benefit from the use of all the gates did not mean that their cost was not recoverable through the service charge. He referred to the first part of the definition of Reserved Property in the lease

“all those grounds forming part of Clive Court and the entrances”

submitting that the cost of door, gate and lock repairs is recoverable thereunder.

75. The tribunal agree with Mr Sandham’s submission.

Refuse collection

76. The respondent queried the cost attributable to refuse collection in the various years and in particular why it was necessary to charge for paladin hire. She also queried whether there should have been consultation before the relevant refuse contract was placed.

77. Ms Redway gave evidence that the paladin was required by Westminster CC from whom it was hired. The black bags of refuse are removed daily between 8 and 10 pm. The contract had been placed with two local individuals because they were reliable. The Respondent offered no evidence as to the unreasonableness of the sums charged in any year.

78. In the absence of evidence to the contrary the tribunal consider the cost of refuse collection in the years in question to be reasonable.

General maintenance and repairs

79. The Scott Schedule explained what was charged under this service charge heading by reference to invoices. Ms Redway explained that it was a “loose term” covering a variety of repairs. The respondent considered that the suggested time allowed for specific items was excessive but did not provide alternative costs for the items of work to which she objected.

80. In the absence of evidence to the contrary the tribunal consider these costs in the years in question to be reasonable.

Order under Section 20C of the 1985 Act

81. At the hearing Mr Sandham submitted that the tribunal might care to direct that submissions as to Section 20C costs might be made within a finite period of time after the tribunal's decision was issued. In light of the tribunal's decision the tribunal invite Mr Sandham to consider whether such an application is appropriate in the circumstances.

Name: Judge Pittaway

Date: 29 June 2016

Rights of appeal

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

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

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

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

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

If the tribunal refuses to grant permission to appeal, a further application for permission may be made to the Upper Tribunal (Lands Chamber).

Appendix of relevant legislation

Landlord and Tenant Act 1985

Section 18

- (1) In the following provisions of this Act "service charge" means an amount payable by a tenant of a dwelling as part of or in addition to the rent -
 - (a) which is payable, directly or indirectly, for services, repairs, maintenance, improvements or insurance or the landlord's costs of management, and
 - (b) the whole or part of which varies or may vary according to the relevant costs.
- (2) The relevant costs are the costs or estimated costs incurred or to be incurred by or on behalf of the landlord, or a superior landlord, in connection with the matters for which the service charge is payable.
- (3) For this purpose -
 - (a) "costs" includes overheads, and
 - (b) costs are relevant costs in relation to a service charge whether they are incurred, or to be incurred, in the period for which the service charge is payable or in an earlier or later period.

Section 19

- (1) Relevant costs shall be taken into account in determining the amount of a service charge payable for a period -
 - (a) only to the extent that they are reasonably incurred, and
 - (b) where they are incurred on the provisions of services or the carrying out of works, only if the services or works are of a reasonable standard;
- (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.

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) dispensed with in relation to the works or agreement by (or on appeal from) a leasehold valuation 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

Section 20ZA Consultation requirements: supplementary

- (1) Where an application is made to a leasehold valuation tribunal for a determination to dispense with all or any of the consultation requirements in relation to any qualifying works or qualifying long term agreement, the tribunal may make the determination if satisfied that it is reasonable to dispense with the requirements.
- (2) In section 20 and this section—
 - “qualifying works” means works on a building or any other premises, and
 - “qualifying long term agreement” means (subject to subsection (3)) an agreement entered into, by or on behalf of the landlord or a superior landlord, for a term of more than twelve months.

Section 20B Limitation of service charges: time limit on making demands.

- (1) If any of the relevant costs taken into account in determining the amount of any service charge were incurred more than 18 months before a demand for payment of the service charge is served on the tenant, then (subject to subsection (2)), the tenant shall not be liable to pay so much of the service charge as reflects the costs so incurred.
- (2) Subsection (1) shall not apply if, within the period of 18 months beginning with the date when the relevant costs in question were incurred, the tenant was notified in writing that those costs had been incurred and that he would subsequently be required under the terms of his lease to contribute to them by the payment of a service charge.

Section 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 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 a county court;
 - (aa) 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;
- (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 27A

- (1) An application may be made to a leasehold valuation 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 a leasehold valuation 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.

Landlord and Tenant Act 1987

Section 47 **Landlord's name and address to be contained in demands for rent etc.**

- (1) Where any written demand is given to a tenant of premises to which this Part applies, the demand must contain the following information, namely—
 - (a) the name and address of the landlord, and

(b) if that address is not in England and Wales, an address in England and Wales at which notices (including notices in proceedings) may be served on the landlord by the tenant.

(2) Where—

(a) a tenant of any such premises is given such a demand, but

(b) it does not contain any information required to be contained in it by virtue of subsection (1),

then (subject to subsection (3)) any part of the amount demanded which consists of a service charge (“the relevant amount”) shall be treated for all purposes as not being due from the tenant to the landlord at any time before that information is furnished by the landlord by notice given to the tenant.

(3) The relevant amount shall not be so treated in relation to any time when, by virtue of an order of any court, there is in force an appointment of a receiver or manager whose functions include the receiving of service charges from the tenant.

(4) In this section “demand” means a demand for rent or other sums payable to the landlord under the terms of the tenancy.