



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

**Case Reference** : **CAM/OOMC/LIS/2019/0012**

**Property** : **Flats 1-66 Basing House  
Moulsford Mews,  
Reading,  
RG30 1EU**

**Applicant** : **Southern Housing Group Ltd  
("SHG")**

**Represented by:**  
**Trowers and Hamlin LLP**  
**Carl Fain, Counsel**

**Respondents** : **(1) West Village Reading Management  
Limited (Estate Manager)  
(2) Portman Square West Village Reading  
Management Limited (Block Manager)**

**Acting through their Managing Agent,  
namely Remus Management ("the  
Managing Agents")**

**Represented by:**  
**Sampson Coward LLP**  
**Thomas Rothwell, Counsel**

**Date of Application** : **15<sup>th</sup> April 2019**

**Type of Application** : **Section 27A (1)(a) Landlord and Tenant Act  
1985 ("the Act") for a determination of the  
reasonableness and payability of service  
charges, and ancillary applications**

**Tribunal** : **Judge J. Oxlade  
Mrs. S. Redmond BSc ECON MRICS  
Mr. A. Kapur**

**Date and venue of  
Hearing** : **8<sup>th</sup> October 2019  
at the Hilton Reading,  
Reading**

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## DECISION

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For the following reasons, the Tribunal finds that:

- (a) service charges charged in the service charge years 2014 to 2018 are reasonable and payable as demanded, save in respect of (i) concessions made in paragraphs 15 and 17 herein, (ii) the managing agents' fees demanded, which we find should be reduced by 10% p.a. for each of the 4 years, and (iii) Solicitor's costs which are not recoverable under the terms of the lease, and (iv) building insurance, in that we make no decision in respect of it, as requested and recorded at paragraph 16;
- (b) The costs incurred in respect of the water pump/ boiler are qualifying works, and so subject to section 20 consultation requirements, which were not followed; the Respondents are therefore limited to recovering £250 from the Applicant;
- (c) The Respondents' costs shall not be added to the service charge account and so an order is made under section 20C of the Act.

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## REASONS

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### Background

1. SHG, the Applicant, is the tenant of the head lease ("the lease") of Basing House, ("the premises") which consist of 65 flats, sub-let on either long leases under a low cost home ownership scheme, or on assured tenancies. It is a registered social landlord.
2. The Estate Manager and Block Manager ("the Respondents") are parties to the head lease, with obligations under the 6<sup>th</sup> and 7<sup>th</sup> Schedule of the lease to maintain the estate and block; their obligations are met by Remus Management, managing agents appointed to act their behalves.
3. The Applicant is obliged under the lease to pay service charges to enable the maintenance obligations to be met by the Respondents; there are two charges, an estate charge and a service charge, which costs are passed onto the under lessees and tenants.

### Application

4. The Applicant issued an application for determination of the reasonableness and payability of service charges for past years (2014 to 2018) and the current year (2019). It was made because the Applicant needed to be able to understand - and then be in a position to explain to their under lessees/tenants - how the costs were incurred, and why there had been year-on-year increases, above and beyond the rate of inflation.

5. The Applicant has a long-standing complaint, unresolved in correspondence and by meetings, and so resorted to making this application. The background is that they have come under scrutiny by their under lessees and tenants - who have legitimate concerns - and absent of the correct information and correct budgeting by the Respondents, the Applicant is in no position to answer or address these legitimate points raised with them, and in turn the Respondents through their managing agents. It has led to difficult meetings, involvement of the local MP, and a refusal by some under lesses/tenants to pay their service charges.

#### *Classification of the nature of the Complaints*

6. Save with one exception – namely, the maintenance of solar panels – the complaint related not to the standard of works done, but the accounting practices used: (a) whether the Applicant should be paying certain charges at all, or whether they should be billed to the underlessees/tenants direct, (b) into which column in the accounts certain items should be attributed, with implications for the proper percentage applied, and (c) poor forecasting of future costs, which has harmed sensible budgeting, by significant under-budgeting, budgeting for expenditure that never occurred, or failing to make any provision at all.

7. As an example of (a), though the lease (cl. 8(a) 4<sup>th</sup> Schedule and cl. 4.1(j) 5<sup>th</sup> Schedule) provides that the costs of supplying energy to each flat shall be collected monthly by charges billed to the occupants directly and not the Applicants, heating and hot water charges have been and are billed to the Applicant. These amount to £84,511.58, for years 2014-2016, and which the Applicant has paid, though it should not have done. There was an issue as to whether or not the Tribunal should order repayment, or whether the Respondent would succeed on an argument of equitable defence or restitutionary claim. Further, land registry costs had been included in service charge accounts, which should not have been permitted to be entered.

8. As an example of (b), costs in respect of electricity in 2016, gardening in 2017, and smoke ventilation in 2018, were wrongly allocated.

9. Though the Respondents accepts some “lazy” budgeting, as examples of (c), the Applicant points to under budgeting, which (post reconciliation of costs set against estimates) lead to end of year demands of variously £2,211. 42, £7,106.18, £3,706.93, and £6,010.53 from 2014 to 2018; only in 2016 was there over-budgeting of £10,496.16.

10. The Applicant says that the Respondents have singularly failed to explain how the reserve fund contributions are calculated, and why in 2017 it increased from £3,150 to £20,150 only to be dropped back to £3,150 in 2018.

11. The Applicant’s position is that their concerns should give rise to rectification of the accounts and a reduction in managing agent’s fees for the period 2014 to 2018, by 33% p.a. as their services were not of a reasonable standard.

12. Following the making of directions, documents were filed, and the parties completed a Scott schedule, which further distilled the issues.

## Hearing

13. Both parties were to be represented at the hearing by Counsel, who filed skeleton arguments, which helpfully narrowed the issues.

14. At the commencement of the hearing the Tribunal set out a list of what appeared to be the issues; however, as further discussion had taken place between Counsel which had led to a further narrowing of the list, the Tribunal had a limited number of points to determine.

## Concessions

### *Heating and Hot Water*

15. The Respondents conceded that their practice to bill to the Applicant (who had paid it), for heating and hot water charges during the period 2014-2016 was not in accordance with the lease - which provided that individual lessees/occupants were obliged to pay direct to the Respondents. It was therefore not “payable” under the lease. The Respondents declined to advance any argument before the Tribunal as to restitutionary remedies which might be available to it, and said that argument would be heard in the County Court.

### *Building Insurance*

16. The Applicant conceded that the head lease provided that responsibility for insuring the building fell to the Freeholder, who had not been joined as a party. So, any issue about the reasonableness of those costs would not be a dispute between the parties to these proceedings. Accordingly, the Tribunal was asked not to make or record any agreement or decision about them.

### *Security Costs*

17. The Respondents conceded that security costs of £14,955.30 featuring in the 2018 accounts were not correctly allocated, and should be re-allocated as an estate charge, where the applicable percentage is 15.24 % (rather than 27.44%).

## Respondent’s Statement of Allocation

18. The Applicant had sought information as to how service charges were allocated, which was now provided to them by the Respondents. Counsel for the Applicant asked that this statement of allocation of service charges be included in the decision, so that the Applicant would be in a position to explain it to their under lessees/tenants alongside the Scott Schedule. The Respondents and Tribunal were content that it should, and so have included this as Appendix A.

## Disputed Service Charge Items

19. The Tribunal was asked to determine the reasonableness and payability of the remaining items in dispute, pursuant to section 27A of the 1985 Act:

(a) Solicitors’ costs of £2565.60 in the year end 2015

(b) managing agents fees for the years 2014-2018, increasing from a per unit cost of £240.35 in 2014 to £290.39 p.a. in 2018, including vat.

20. Further, the Applicant sought a determination as to whether or not the water pump/ boiler maintenance costs of £35,328.22 were qualifying works for the purpose of section 20 of the 1985, so requiring compliance with consultation requirements.

21. The Applicant sought an order under section 20C of the 2002 Act to prevent the Respondents from recovering their costs of responding to the application, by adding them to the service charge account, although it was their primary position that the legal costs were not recoverable under the lease.

### *Evidence*

22. The Tribunal heard oral evidence from Anthony Hughes Head of Home Management at SHG, and Paul Taylor of Remus, the Managing Agents.

23. Mr. Hughes spoke about the difficulties in getting clear information as to how service charges were being billed, and how this impacted on their ability to respond to concerns of their lessees; there was a breakdown in goodwill with their lessees/tenants giving rise to a disproportionate percentage of service charges going unpaid, meetings were held, and undertakings given by the Managing Agents at public meetings at which the local MP attended, which were not honoured, so preventing the Applicant from meeting their undertakings. There were exchanges of information, but a change of personnel led to the cessation of information as to the structure of budgets, the budgets verses year end actuals, and explanations for underlying increases. There was an acknowledgement that it was a complex service charge structure, but this was the way that the Managing Agents had chosen to set it up; the Applicant simply wanted further information to be able to understand it, and pass it on. The information came through piecemeal, and there were conflicting answers on certain points. In short, they wanted transparency and clarity, to be able to pass this on.

24. The Applicant considered a 33% reduction about right; there was no “science behind it”, but a financial recognition by the Respondents of their narrative, which is that there had been lazy accounting; that was a welcome acknowledgement. The Managing Agents prided themselves on being fit for purpose, but they were not. It was difficult to justify year on year increases in managing agents fees.

25. In cross-examination Mr Hughes was asked if the bundle contained evidence of the attempts to resolve matters prior to the application having been made because the Respondents’ case was that the Applicants had not corresponded in 2018 about it and it would have been better to issue a “final warning” before issuing the application. Mr. Hughes could not say when the last correspondence was, but considered that they had reached the end of the road, and had been patient enough.

26. He was asked about budgeting, and said budgeting failed as there were large budgets and lower actuals (despite a fairly predictable climate) which made it difficult to explain to their under-lessees year on year – particularly if there was a surplus. He did not accept the argument that the fact that the actuals were lower than the budgets – so meaning a refund, or money on account for lessees – was a good thing; their under-lessees were on limited budgets and no one wanted

unexpected bills. If it was justifiable in the first few years until things settled down, it was not justifiable by year 3 and 4.

27. As to the solar panels, the concern was a lack of servicing, which included cleaning; it was put to him that they were self-cleaning; he was not aware of that. He conceded that there was evidence of servicing in 2018 and could not say that there was any financial impact of earlier failings to service.

28. As to the reserve fund, it was accepted that it was to be collected for eventualities, but expected there to be a formula. As he did not know how they were arrived at, he could not say that they were unreasonable; it was the lack of breakdown and justification.

29. The parties had advanced different figures for the managing agents' fees, but he was content to accept the Respondents were correct in saying that the fees were billed as follows, per unit and including vat: £240.35 in 2014, £252.33 in 2015, £276.33 in 2016, £288.39 in 2017, and £294.39 in 2018. He would not suggest that the fees were extortionate – they were just not to the standard required.

30. In answer to questions from the Tribunal, Mr. Hughes said that he was not saying that the standard of work delivered to under-lessees was substandard, it was just poor accounting which undermined management of the development. He would leave it to the panel to decide what figure was an appropriate figure to deduct.

31. The effect of increasing budgets was to make the residents very animated – many attended a meeting though it was held ½ a mile from the premises – it was about people's anxieties and worries. First and foremost, they just wanted to understand.

32. Mr. Hughes had seen correspondence sent to Mr Day, trying to secure more information, but these stopped in June 2018 and the application was not issued until April 2019; it was not “knee jerk”. They were simply not making progress. They have 28,000 homes, with hundreds of managing agents; enquiries come into a central team, who ended up spending a disproportionate amount of time trying to resolve the accounting on this site; it went on longer than it should have done. He could not quantify what “man hours” were taken up on this, but Mr. Hughes was involved in 3 residents meetings, meetings with Remus on-site.

33. The Tribunal heard oral evidence from Paul Taylor. He pointed to the vast array of disclosure provided to the Applicants. The apportionment of charges would originally have been agreed with the developer. His MD would do it and they would then be reviewed by an account manager. He acknowledged that there was no Capex; meaning there was no capital expenditure planning; some would take place after 5 and others after 12 years. They had commissioned a plan, which cost £12,000 to commission, from an independent surveyor. It was just important to decide the right time to start budgeting, because most things have a 2 year warranty, so from year 3 costs spike. There were no budgets in the bundle, as they would have a percentage allocated, and Annex A set out the allocations. He said that budgets are set 3 months before the start of the financial year, but conceded that though they had actuals, they had designed budgets on the basis of past budgets – not actuals. That was accepted to be an accounting “disaster”, and they are now investing in a new computer system, which will rectify that problem.

34. To set the figure for the reserves, the Respondents would liaise with the developer, as to what sums were originally spent on installing an item, and then calculate replacement costs i.e. the playground.

35. On specific items: the Solicitors' costs of £2565.60, were legal costs incurred by the managing agents in challenging the personal injury action which was compromised by the insurance company paying out £10,000. There were no section 20 consultation documents sent out in respect of water pump maintenance and boiler costs of £35,000, as they were made up of about a dozen separate sets of works. They should not be treated cumulatively to engage section 20ZA.

36. In cross-examination, Mr. Taylor was asked about specific items being wrongly allocated or apportioned - which are now not in dispute - aimed at showing poor accounting practices, which resulted in SHG paying too little, and will now need to pay more. He conceded that the servicing of the solar panels was missed on one year only – otherwise it was maintained. He agreed that his witness statement at paragraphs 25 and 26 conceded poor budgeting – equally, it was an important task as it was a way of securing money on account, and so should not knowingly under budget. He conceded it could have been better i.e. a budget based on an actuals, not past budgets. Remus took over management when the building was newly built in 2012. He acknowledged that the failures impacted on the Applicant and upset the residents.

37. In answer to a question put – that £295 per unit would have been a reasonable sum to pay in managing agents fees for a proper service, but the service delivered was not good because of accounting failures, he conceded it was not the level he would expect to deliver.

## Submissions

### *Respondents*

38. On behalf of the Respondents, Mr Rothwell dealt with the two disputed items.

39. Solicitors costs of £2565.60 invoiced in October 2015 incurred by the managing agents when responding to a claim made by a mother in respect of an injury to her child on a playground/park on the estate, which claim was settled by insurance. The Respondents would rely on either cl. 4.1(b) Schedule 5 (a general liberty of the block manager to apply service charges to costs incurred) or 7<sup>th</sup> Schedule (the estate manager's covenants to maintain and to pay all costs properly incurred by managing agents).

40. The water pump/boiler costs were supported by invoices; these were generally incurred on maintaining a service medium; there is no issue that there was no section 20 consultation; the Respondents' case was that this was piecemeal work (performed on different days, dealing with discrete problems) and in any event it did not engage the consultation requirements as they were not "works on a building". He said that it was a pure question of law. He would rely on Paddington v Peabody [2010] L & TR 6 heard in the County Court, which included consideration of whether a window cleaning contract were "qualifying works" and so invoked the requirement to consult about a qualifying long term agreement. It was held that window cleaning was not "works on a building"; it did not naturally fall within the concept of "building

works”. He conceded that works were on a spectrum, but that this was at the very end of it. The point was taken against the Respondents fairly late in the day, but if the Tribunal considered that section 20 applied, then the Respondents would have to make an application for dispensation.

41. As to managing agents’ fees, he pointed out that the standard of work done on ground services was good and in respect of which there was no complaint; this was accepted by the Applicant. 33% was clearly a disproportionate reduction to reflect the points taken. The complaint was a budgeting issue, and it was accepted that there were plain errors i.e. budgets set on the basis of budgets, not actuals i.e. there was misallocation. There was no meaningful prejudice shown by the Applicant. Mr. Rothwell said that under- budgeting meant that the Applicant and lessees/tenants did not have to pay, and so could save the money. When pressed he said that a 10% deduction was sufficient. The solar panels were a minor point.

42. It was argued that the last correspondence was in June 2018, but the application issued in April 2019 – the Applicant could have issued a last warning- but silence was not compatible with having “lost patience”. There was a failure to communicate intention, to avoid incurring costs in litigation; there was no attempt to force Remus to engage in the months leading to the litigation. The application came out of the blue.

43. As to Remus’ legal costs, the Respondents say that Remus’ costs are chargeable under Schedule 3 clause 15. It would be meaningless to say that this referred only to section 146 notices and dilapidations; particularly as the clause refers specifically to costs incurred before the LVT. Alternatively, Schedule 5 clause 4.1(a) which relate to costs incurred by the manager in managing and collecting service charges and enforcing covenants. A further point was that the Applicants had flooded the Tribunal with paperwork, which unnecessarily inflated-costs, much of which has not proved to be relevant. It should be considered when addressing what is just and reasonable.

### *Applicant*

44. In reply on behalf of the Applicant, Mr. Fain said that in respect of the Solicitors costs, these were incurred in respect of (what must have been) a negligence action, arising from the negligence of the person managing it; it did not fall within the definition of “running and managing”. In the alternative, it is an unreasonable charge, arising from negligence. This was not reasonable management.

45. In respect of the water pump/boiler, there should have been consultation. A communal boiler is part and parcel of a building - far removed from the cleaning of windows – and so work on it amounts to works on a building. In any event Paddington v Peabody, was not a binding decision. The alternative construction would admit of the possibility of spending £200,000 on it without restraint. The limit is £250 per tenant, and the Applicant as head tenant falls within the definition of “tenant”.

46. As to management fees, the failures were not minor in nature, and gave rise to considerable difficulties. Poor budgeting and allocation is admitted throughout the period. This should be reflected in a significant reduction. He conceded that 33% was a “finger in the air”; yet, it felt right. It was almost impossible to place a monetary



value in the failure. Whilst undercharging may cause no immediate financial prejudice, it takes time and sours relationships. The meetings lead to unmet undertakings by the Respondents, and the MP was involved. It goes beyond the normal level of concern.

47. As to the Respondents' costs. Taking the two clauses of the lease relied on: Schedule 13 clause 15 was included to deal with the case law (Freeholders of 69 Marina) which provided that only costs incurred before the LVT in preparation for and contemplation of forfeiture were recoverable. Here this clause was inserted to mean that the costs incurred in showing before the LVT that there was a breach by a non-paying tenant could be recovered. Here the Applicant had paid, and so was not covered by this clause. Neither did cl 4.1(a) of the 5<sup>th</sup> Schedule apply; the Respondents were not bringing the action, and so had incurred costs as a defensive measure. It is the Applicant's case that the Respondents can never recover costs when responding to an application.

48. The alternative argument is that the Respondents should not be permitted to recover costs in the circumstances; it would be just and equitable to deny the Respondents the opportunity to do so. The only argument the Respondents makes is that the Applicant should have afforded further warnings, but at what point must it feel free to issue an application for determination? Further, the Applicants have paid their service charges, so why should costs be added to the account.

### Discussion

49. The Tribunal is grateful for Counsel narrowing the issues, the economy of the points taken and efficiency of how they were argued. We shall adopt the same approach in explaining our decision.

50. Having heard the evidence, we conclude that the Respondents rightly conceded poor accounting which we find to be in significant, basic, and numerous ways - so find that the standard of service was not reasonable. Further, though pointing out there was no measurable economic cost to the Applicants, the Respondents made no challenge of any substance to the Applicant's evidence as to the knock-on-effect: it led to upset under lessees/tenants, a higher proportion of non-payers, many more enquiries for the Applicant's office to manage, an increase in the number of meetings (including public meetings, with an MP present, and a high take up by occupants), and generally impacting on the relationships between the Applicant and their occupants. The Tribunal finds that the Respondents approached accounts (reserves and budgets) without sufficient care and attention, and there were basic errors. We do however acknowledge that the standard of service in terms of managing the development was without complaint (save the solar panel issue) - which is to be congratulated - and is a significant reason for our decision to reduce the management fees by only 10% per annum for the period 2014 to 2018. The figure proposed by the Applicant of 33% is too bold or punitive, bearing in mind that the delivery on the ground of services to the occupants was good.

51. The Tribunal did not hear any detailed evidence from the Respondents on why the Solicitors costs were incurred, and it was addressed only in closing submissions by Counsel, accompanied by the Solicitor's invoice. We infer that as the insurance company paid out compensation of £10,000 - but not the Managing Agent's legal fees - there was neglect by the Managing Agents, which left them to foot the bill. This

was the inference Counsel for the Applicant made, and which was not subject to correction by Counsel for the Respondents. We find that such costs do not fall within ordinary day –to-day management, and we were not persuaded by the argument that the construction of clause 4.1(b) of Schedule 5 or clause 2 Schedule 7 permitted recovery. It would be somewhat surprising if the Respondents’ negligence, leading to costs being incurred, should be discharged by the service charge fund, or that to do so would be for costs to be reasonably incurred. Accordingly we find that the Solicitors costs were not recoverable under the lease.

52. As to the costs incurred in respect of the water pump/boiler, and the definition of “works to the building”, we find that the case of Paddington v Peabody is not binding authority. Further, it was a narrow point without full argument on a matter of construction which have wide implications for the protection of lessees. In any event cleaning windows and repair of boilers/water pumps, are quite different; a building cannot function in modern days without heating, whilst the same cannot be said for window cleaning. We find that repair to water pumps/boiler fall within the definition of “works to a building” and so caught by section 20 consultation requirements. The Applicants relied on case law (Foundling Court v LB Camden [2017]) to argue that “tenant” included the head tenant, and so the Respondents should have consulted the Applicant as the costs exceeded £250. The Tribunal was provided with copies of the invoices, but – absent of narrative - was unable to establish exactly what had happened, the sequence of events, the extent of the work done, and to conclude that the Respondents argument that Phillips v Francis applied, was correct. We appreciate that the Respondents may not have appreciated the significance of this issue having been raised in the papers, although somewhat in passing, and so there was no evidence called to explain exactly what had happened, the sequence of events, the extent of the work done. The better course is for the Respondents to make an application for dispensation from consultation in respect of these costs, unless the Applicant is able to consider the documentation, the whole scenario, and agree it.

53. In respect of the Respondents’ costs there were two arguments; whether or not the costs were recoverable under the lease as a service charge; if so, whether or not that should be permitted. We do not need to reach any view as to the first argument, it being clear and obvious to us that the Respondents’ costs should not be added to the service charge account, having been incurred solely because of its own enduring default. It was acknowledged that the Respondents had failed in accounting practices, as set out above and the Applicant’s description of the consequences was not challenged. We did not accept that in light of the total breakdown in communication by the Respondent with the Applicant, that it placed any burden on the Applicant to issue further warnings or exercise further patience. This dispute had deteriorated well beyond what is a normal service charge dispute, and with serious implications for the Applicant. That being so, we find that issuing proceedings was the only way to resolve the matter; this resolution continued throughout the process, and gave rise to a happy conclusion, in that the parties reached accord on many aspects. It follows that we make an order pursuant to section 20C and paragraph 5A Schedule 11 to CLARA to prohibit the Respondents’ costs incurred and incidental to this application being added to the service charge account.

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11<sup>th</sup> November 2019  
Judge J. Oxlade

## ANNEX A

### Statement on allocation of service charges

#### Overview

The provisions of the Applicant's lease provide for the division of service charges as an "estate charge" attributable to the costs on the estate as a whole and a "block charge" attributable to expenditure on the Block only: see Clauses 4.1 and 4.3 of the Lease.

#### Apportionment of Estate Charge

The Estate Contribution is defined in the Lease as 15.18% of the total expenditure on the estate. However, it is expressly stated to be variable in accordance with the other provisions of the Lease.

The Estate Contribution was historically varied by a minimal amount of 0.06%. The Applicant was informed of this minor change in previous budgets.

The estate charge is reflected in Schedule 1 of the *Scott* Schedules.

#### Apportionment of Block Charges

All other charges, from Schedule 2 onwards, are charges attributable to the Block: the Applicant pays a proportion of the costs expended on a particular area (but not the whole estate) in accordance with the number of flats in the Block which belong to the Applicant.

The proportion is a "fair and proper proportion" of costs attributable to the block: see the definition of "Service Charge Proportion" in the Lease. Further or alternatively, the Block Manager is entitled to apportion costs between adjoining properties where there is a joint service provided to each: Schedule 5, paragraph 13.

To take the example of Schedule 2 (Heating System), this service benefits not only the Applicant's 66 apartments in the Block, but 226 apartments, including neighbouring properties. The Applicant's "fair and proper proportion" for the purpose of working out its block charge for heating is therefore  $66/226 = 29.2035\%$ .

For each other item in the Schedule, a different number of adjoining flats benefit. So, for Schedule 3, 225 apartments benefit from the given service. The proportion attributable to the Applicant is therefore  $66/255 = 25.88\%$ .

An identical approach is adopted in respect of all other calculations, whereby the Applicant pays proportionately to the number of properties it owns which benefit from the given service.

Schedule 10 (Communal Service Charge Basing House) is borne 100% by the Applicant. These costs are attributable to the Applicant's leasehold interest only.

### **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).