10891

FIRST-TIER TRIBUNAL
PROPERTY CHAMBER
(RESIDENTIAL PROPERTY)

Case reference	:	**LON/00BC/LSC/2014/0557**
Property	:	**Flat 7, St Peters Close, Newbury Park, Ilford, Essex, IG2 7QL**
Applicant	:	**St Peters Management Company Limited**
Representative	:	**Mr Paul Mertens (Counsel) instructed by PDC Legal Services**
Respondents	:	**Mr Rajesh Kumar Sharma and Mrs Ruchika Sharma**
Representative	:	**Mr Vaughan Jacob (Counsel) instructed by Links Legal Solicitors**
Type of application	:	**For the determination of the reasonableness of and the liability to pay service and administration charges**
Tribunal members	:	**Judge Robert Latham** **Mrs Sarah Redmond MRICS** **Mr Leslie Packer**
Date and venue of hearing	:	**27 April 2015 at 10 Alfred Place, London WC1E 7LR**
Date of decision	:	**6 May 2015**

DECISION

Decisions of the Tribunal

(1) The Tribunal reduces the service charges payable by the Respondents by £30 (inc VAT) for each of the four service charge years 2010/11; 2011/2; 2012/3 and 2013/4. The effect of this determination is to reduce the outstanding service charges payable by the Respondent from £2,710 to £2,590.

(2) The Tribunal declines to make an order under section 20C of the Landlord and Tenant Act 1985.

(3) Since the Tribunal has no jurisdiction over county court costs and fees, this matter should now be referred back to the Romford County Court. For the avoidance of doubt, this includes both the claims for an administration charge of £150 and costs of £655.80. The Tribunal is satisfied that the administration charge is only recoverable, if at all, as part of the costs of the County Court proceedings. The Tribunal notes that the County Court did not transfer the Counterclaim.

The Application

1. The Applicant landlord seeks a determination pursuant to s.27A of the Landlord and Tenant Act 1985 ("the 1985 Act") and Schedule 11 to the Commonhold and Leasehold Reform Act 2002 ("the 2002 Act") as to the amount of service charges and administration charges payable by the Respondents in respect of the service charge years, 2010/1; 2011/2; 2012/3 and 2013/4. The claim relates to Flat 7, St Peters Close, Ilford ("the flat").

2. Proceedings were originally issued in the Northampton County Court under claim no. A05YM035. The Applicant claims: (i) service charges of £2,710; (ii) an administration charge of £150; and (iii) costs in the sum of £655.80. A statement of account is at p.47 of the Bundle.

3. The claim was transferred to the Romford County Court and then in turn transferred to this Tribunal, by order of Deputy District Judge Perry on 27 October 2014. The Judge did not transfer the Counterclaim which he noted was insufficiently pleaded. The Tribunal only has jurisdiction in respect of the matters which have been transferred (see *John Lennon v Ground Rents (Regisport) Limited* [2011] UKUT 330 (LC).

4. On 18 December 2014, the Tribunal held a Case Management Conference. Mr Martens appeared on behalf of the Applicant. The Respondents did not attend. His Solicitor, Links Legal, wrote to the Tribunal stating that the Defence and Counterclaim set out the Respondents' concerns about the management of the block. The

Respondents were said to be agreeable to mediation. The Tribunal gave the following directions:

(i) By 19 January 2015, the landlord was required to disclose the relevant service charge accounts and a schedule setting out details of the relevant service and administration charges. On 16 January, the Applicant sent the Respondents the relevant documents (p.73). On 6 January, the Applicant provided their Schedule (at p.133-144).

(ii) By 16 February, the Respondents were to send their response to the Schedule identifying the items which were disputed and the reasons for this. In so far as any sum was considered to be excessive, the tenants were to state what sum they were willing to pay and to provide any alternative quote. They were also to serve any statement setting out their case. On 10 March, the Respondents provided their Schedule (at p.146-157). This does not identify the relevant issues in dispute. It rather seeks to distinguish those service charges which relate to the Respondents' flat and those which relate to other properties. The Respondents failed to have regard to the fact that he was obliged by the lease to contribute 1.613% towards all the sums properly charged to the service charge account.

(iii) By 2 March, the Applicant was to complete the Schedule with their response and send any reply. On 7 April, the Applicant filed their case in reply (at p.164-8). On 10 April, it served a witness statement from Ms Jessica Maidman, a Director of J.Nicholson & Son ("Nicholsons") who are the managing agents. These are of limited assistance given that the Respondents had failed to identify their case against their landlord, which the Applicant was obliged to answer.

(iv) A mediation appointment had been fixed for 25 March. This was cancelled as the parties failed to return the signed agreement to mediate.

5. The failure of the Respondents' Solicitor to comply with the Directions is regrettable. Parties must recognise that the Tribunal gives directions to enable any dispute to be determined in a proportionate and cost efficient manner. We were told that Mr Sharma's mother had been ill and that he had problems with his employment. These matters had not been raised in the correspondence.

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

The Hearing

7. The Applicant was represented by Mr Paul Mertens (Counsel). He adduced evidence from Ms Jessica Maidman.

8. The Respondents was represented by Mr Vaughn Jacob (Counsel). On 23 April, the Respondents had served a Bundle of Documents on the Tribunal. Mr Rajesh Sharma was also present and Mr Jacob applied for permission to call him as a witness.

9. The Tribunal granted an adjournment to enable the Respondents to identify the service charges which were disputed in the service charge accounts. Mr Jacob identified the following issues:

(i) The cleaning;

(ii) The lighting, heating and the entry-phone system;

(iii) The refuse collection; and

(iii) The management fees charged by the managing agents.

The Respondents had no alternative quotes, particularly with regard to the annual management fee.

10. Mr Martens complained of the late stage at which the Respondents' Bundle had been served. The Tribunal indicated that we would have regard to this material, but that the weight that we would attach to it would reflect the late stage that it had been served, and that we would ensure that the Applicant was not prejudiced by the Respondents' failure to comply with the Directions. This Bundle included an Asbestos survey commissioned on behalf of the landlord in March 2007, a print-out from Companies House and photographs which were taken on 18 May 2014 and 19 April 2015. These were uncontroversial. It also included a witness statement from Catherine Patel, the tenant of Flat 81. The records from Companies House recorded that she had been the Company Secretary of the Applicant Company between 17 September 2009 and 11 September 2013. Her statement recorded her dissatisfaction with the management of the block. She did not explain the reason why the Board of Directors had failed to take any action to rectify this. She was not available to give evidence.

11. The Tribunal refused the Respondents permission to adduce evidence from Mr Sharma. The Respondents had failed to comply with the Directions. No witness statement had been prepared, even at this late stage. The Tribunal were satisfied that the Defence, which was attested by a Statement of Truth signed by his Solicitor, adequately set out the Respondents' case. Were he to elaborate upon this, there was the danger that he would raise fresh matters with which the landlord was unable to deal. Mr Martens declined the invitation for Mr Sharma to be tendered to be cross-examined on the matters raised in his Defence.

12. The Tribunal heard evidence from Ms Maidman. She was able to add little to the limited evidence which she provided in her statement. This statement is brief, reflecting the Respondents' failure to identify the issues in dispute that she needed to address. However, Ms Maidman could have addressed more fully the issues that the Respondents had raised in their Defence.

The Lease

13. There are 62 flats at St Peter's Close, namely Flats 1-54 and 81-88. The Respondents' flat is on the first floor. It shares a common entrance hall with Flat 8. Some entrance halls serve more than two flats.

14. The lease is dated 3 February 1982 and is at p.11-45 of the Bundle. Mr Martens highlighted the following provisions:

(i) The Respondent's share of the total expenditure is 1.613%;

(ii) All the tenants hold one share in St.Peters Management Company Limited which is now the freeholder.

(iii) The Service Charge provisions are set out on the Seventh Schedule. The lease permits the landlord to collect a quarterly advance service charge. The landlord is permitted to engage managing agents.

(iv) The landlord is entitled to operate a reserve fund.

(v) Annual accounts are to be prepared which are to be certified. The accounting year is 1 April to 31 March. Any surplus is to be credited against the tenant's account.

(vi) By paragraph 19(a) of the Fourth Schedule, the tenant is obliged to pay all costs, charges and expenses (including legal costs and surveyors' fees) incurred by the landlord "under or in contemplation of any proceedings" under Section 146 of the Law of Property Act 1925.

The Background

15. On 30 May 2008, the Respondents acquired the leasehold interest in the flat. On 26 March 2007, the Applicant had obtained an Asbestos Assessment report from David Cunningham Associative ("Cunninghams"). It was suspected that there was asbestos in various parts of the block, but it was found to be of a low risk classification. There was no immediate concern, but an annual inspection was advised.

16. From September 2009, the Respondents complained about the state of the stairs. On 8 September 2009 (at p.280 of the Bundle), Mr Sharma sent an e-mail complaining that the stairs were dirty. He also stated: "the carpets on the stairs are worn to the extent that they are beginning to tear". He also complained about a damp patch forming on the Flat 6 side of the lower stairwell. The cause of this dampness is likely to be an appliance within Flat 6 which would have been the tenant's responsibility.

17. In January 2010, Mr Sharma asserts that the communal lighting and the entry phone system serving his block had ceased to work. This was not remedied until January 2012. It is apparent that this not only affected Flats 6 and 7, but also other staircases in the block which shared the same electricity supply. Mr Sharma asserts that the problem was only resolved when he took the initiative and forced his way into the communal meter cupboard. It was necessary for him to move a lot of items stored in the cupboard by the tenant of Flat 12. It seems that when the new tenants at Flat 12 had moved into their flat in January 2010, they had arranged for a new meter to be installed and that the meter providing electricity for the communal supply was removed.

18. Ms Maidman was unable to give any adequate explanation as to why it had taken the managing agents two years to resolve this problem. She suggested that it had been a problem for a shorter period. However, Mr Sharma set out the sequence of events in both an e-mail of 1 March 2012 (at p.273) and in his Defence. His version was not contradicted. It was also discussed at a meeting between Directors and John Maitland on 20 October 2011.

19. In his e-mail of 1 March 2012 (p.273), Mr Sharma again raised the state of the communal carpet. He described how it was "ripped severely in several places" and how "this is a tripping hazard, particularly in the dark". On 6 June 2012, Sharon Boniface responded stating that the managing agents were consulting on the colour of a new carpet, but making no response to the torn condition. We were shown a number of photos of the stairs which were taken on 18 May 2014. The Tribunal accept that the worn state of the carpeting created a real tripping hazard. No temporary measures such as taping had been applied to reduce the risk. We were told that the carpet was finally replaced in "autumn 2014". The new carpet is illustrated in a photograph taken on 19 April 2015.

20. Since they acquired their flat, the Respondents were required to pay a relatively modest quarterly service charge of £175. Their service charge account was last in balance on 3 August 2009. The last payment which the Respondents made was on 14 December 2010. They assert that they withheld their payments because of the lack of maintenance. The Tribunal would have been more impressed had they made some contribution towards their service charge liability and had they taken

the initiative to raise their concerns through an application to this Tribunal.

21. On 5 November 2012 (at p.270), the managing agents wrote to the Respondents about their outstanding arrears of £1,835. Payment was not made. The managing agents therefore passed the debt to Property Debt Collection Limited (PDCL), a debt collection agency. PDCL wrote to the Respondents on 19 November 2012 (p.224), 16 January 2013 (p.226, 12 February 2014 (p.229) and 25 March 2014 (p.268). An administration charge of £150 is claimed in respect of this correspondence. The matter was then put into the hands of PDC Legal Services, their Solicitors, who issued the County Court claim on 17 April 2014.

The Tribunal's Determination

(i) The Cleaning

22. The following sums are included in the service charge accounts for cleaning: 2010/11: £127; 2011/12: £589; 2012/3: £78; 2013/4: 0.

23. These are very modest sums when divided between 62 tenants. Ms Maidman stated that the tenants wanted to keep the service charges down and had therefore requested that the communal staircases should not be cleaned. £127 had been wrongly charged to the accounts in 2010/11 and had been credited in the subsequent year. Given that tenants were not charged for a regular cleaning service, the Tribunal can see no justification for reducing this charge.

(ii) The Lighting, Heating and Entry-phone system

24. The following sums are included in the service charge accounts for lighting and heating: 2010/11: £1,033; 2011/12: £809; 2012/3: £1,720; 2013/4: £1,700.

25. These sums are modest sums when divided between 62 tenants, some £15 to £25. Mr Jacob accepted that these sums had been properly incurred. His real complaint was the fact that there was no lighting or entry-phones for his staircase for some two years. This Tribunal is not dealing with any Counterclaim for damages for breach of covenant. The failure to remedy this defect over a period of two years does reflect a failure of management, which we consider hereafter.

(iii) The Refuse Collection

26. The following sums are included in the service charge accounts for refuse removal: 2010/11: £476; 2011/12: £636; 2012/3: £576; 2013/4: £666. These are modest sums when divided between 62 tenants.

27. Mr Jacob's complaint is that there was no regular service for the removal of refuse from the communal areas. Mr Mertons responded that the tenants did not want to pay for such a service and that none was provided. These modest charges rather arose when rubbish, such as a fridge, had been left in the communal areas and the landlord had to arrange for it to be removed. We were referred to a number of such charges, for example sums of £170.38; £132 and £306 which were incurred to 2010/11 (at p.146-7). The tenant did not challenge any of these individual charges.

(iv) The Management Fees

28. The following sums are included in the service charge accounts for cleaning: 2010/11: £10,249; 2011/12: £11,491; 2012/3: £12,058; 2013/4: 12,625. The charge per flat, excluding VAT, has been £137.75; £155; £162 and £170.

29. In the experience of this Tribunal, these charges were low, the normal range being £150-£300. Ms Maidman stated that Nicholsons normally charged a fee in the range of £150-£250 in respect of the blocks which they managed. The charge for this block was at the lower end of their scale reflecting the fact that these tenants wanted to minimise their service charges and the services provided reflected this. We were provided with a copy of the management agreement which is dated 31 March 2006, when the agreed fee was £120 per flat, with provision for review.

30. It is apparent that the tenant shareholders have been reluctant to become involved in the running of the block. On 11 September 2013, Mrs Bassett and Mrs Steffens resigned as Directors and Mrs Patel resigned as Company Secretary. Mrs Rourke remained in post as the sole director. Nicholsons took over the role of Company Secretary. There was a suggestion that Mr Sharma had acted as a director. However, the records filed with Companies House did not reflect this. Mrs Patel stated that she had resigned because of the health of her husband and her dissatisfaction with the role of Nicholsons. She refers to the false information provided to Companies House. However, it had been her responsibility as Company Secretary to ensure that accurate information was filed.

31. Ms Maidman described how Nicholsons would visit the block some four times a year. There was an annual inspection. She had last inspected the block in 2007/8. She had not met Mr Sharma. She described how Nicholsons operated as a team. Mr John Maitland, her father, had had the greater involvement. He had attended a meeting with the Directors

and Mr Sharma on 20 October 2011. It would seem that the last meeting between Nicholsons and the tenants had been in November 2011. Mrs Maidman stated that Nicholsons had a Complaints Procedure. None of the tenants had utilised this procedure.

32. Nicholsons were now consulting on major works to replace the soffits, fascias and guttering to the blocks for Flats 25-54. Ms Maidman stated that the annual inspection extended to checking whether there was any damage to parts of the building which might include asbestos.

33. The Tribunal do not consider Nicholsons' management charge, if carried out to a reasonable standard, to be unreasonable. It is at the lower end of the scale. This reflects the limited services provided.

34. However, the Tribunal accepts that the Respondents have justified criticisms as the manner in which their block has been managed. There are two matters which have caused the Tribunal particular concern:

> (i) the poor state of the communal carpeting. In September 2009, it was beginning to tear. By March 2012, it had ripped in a number of places creating a tripping hazard. This risk would have been the greater during the period that there was no communal lighting. The carpet was not replaced until the autumn of 2014. During this period no temporary measures, such as taping, had been taken to reduce the tripping hazard.
>
> (ii) Between January 2010 and January 2012, the entry-phone and communal lighting for the staircase serving the Respondents' flat did not work. These were serious matters which should have been remedied promptly.

35. On this County Court referral, the Tribunal has no jurisdiction to determine any claim for damages arising from any breach of covenant. We can only consider whether the service charge should be reduced because of the low level or service that was provided. The Tribunal is satisfied that it should and reduces the service charge payable by £30 (inclusive of VAT, £25 exclusive) for each of the four years 2010/11 to 2013/14. This is some 25% of this element of the service charge. Overall, this is only a modest reduction reflecting the low level of the management charge which was levied.

(v) The Administration Charge of £150

36. The Applicant claims an administration charge of £150 for the four pre-action letters sent by PDCL between 19 November 2012 and 25 March 2015. The Applicant asserts that they are payable pursuant to paragraph 19(a) of the Fourth Schedule of the lease. We note that PDCL

claim that this sum was payable as a result of their first letter (see p.224).

37. In order to establish their entitlement to this administration charge, the landlord would need to satisfy the Tribunal that these costs were incurred "under or in contemplation of any proceedings ..... in the preparation and service" of a Section 146 Notice. We have had to regard to the Court of Appeal decision in *Freeholders of 69 Marina v Oram* [2011] EWCA Civ 1258; [2012] L&TR 4 and the decision of the Upper Tribunal in *Barrett v Robinson* [2014] UKUT 0322 (LC). In *Barrett*, the Deputy President, Martin Rodger QC, gave guidance on how *69 Marina* should be applied by Tribunals. Having regard to his guidance at [51] and [52], we are satisfied that this letter was no more than a debt collection exercise. This Tribunal has no jurisdiction over the costs that the Applicant may be able to recover in the County Court. It may be able to justify this sum as part of the costs of the County Court claim.

(vi) Costs

38. Mr Martens initially indicated that it was minded to make an order for costs under Rule 13 of the Tribunal Procedure (First-tier Tribunal) (Property Chamber) Rules 2013. Mr Martens wisely decided not to proceed with this application after an indication from the Tribunal as to the exceptional circumstances in which such an award is made.

39. Mr Jacob applied for an order under section 20C of the 1985 Act. The Tribunal is satisfied that it would not be just and equitable in the circumstances to make such an order. We have regard to the following matters:

(i) This order would relate to the costs incurred since the matter was transferred to this Tribunal. The Respondents have failed to comply with the directions given by the Tribunal. This matter could have been resolved by mediation, provision for which had been made in the Directions.

(ii) The Respondents have secured only a modest reduction in their service charges. They have not paid any service charges since 14 December 2010. Their complaints would have justified them in withholding only a small proportion of the modest service charges that would otherwise be payable.

40. It is for the Applicant to determine whether they are minded to pass on their costs through the service charge account borne by all 62 tenants or against the Respondents pursuant to paragraph 19(a) of the Fourth Schedule of the lease as costs incurred in contemplation of forfeiture. This is not a matter for the Tribunal in this current application.

41. The Tribunal has no jurisdiction over the county court costs or the Counterclaim. These matters should now be returned to the Romford County Court.

Judge Robert Latham

6 May 2015

Appendix of relevant legislation

Landlord and Tenant Act 1985 (as amended)

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;

   and the amount payable shall be limited accordingly.

(2) Where a service charge is payable before the relevant costs are incurred, no greater amount than is reasonable is so payable, and after the relevant costs have been incurred any necessary adjustment shall be made by repayment, reduction or subsequent charges or otherwise.

Section 27A

(1) An application may be made to the appropriate tribunal for a determination whether a service charge is payable and, if it is, as to -
   (a) the person by whom it is payable,
   (b) the person to whom it is payable,
   (c) the amount which is payable,
   (d) the date at or by which it is payable, and
   (e) the manner in which it is payable.

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

(3) An application may also be made to the appropriate tribunal for a determination whether, if costs were incurred for services, repairs, maintenance, improvements, insurance or management of any specified description, a service charge would be payable for the costs and, if it would, as to -
(a) the person by whom it would be payable,
(b) the person to whom it would be payable,
(c) the amount which would be payable,
(d) the date at or by which it would be payable, and
(e) the manner in which it would be payable.

(4) No application under subsection (1) or (3) may be made in respect of a matter which -
(a) has been agreed or admitted by the tenant,
(b) has been, or is to be, referred to arbitration pursuant to a post-dispute arbitration agreement to which the tenant is a party,
(c) has been the subject of determination by a court, or
(d) has been the subject of determination by an arbitral tribunal pursuant to a post-dispute arbitration agreement.

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

Section 20

(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) the appropriate tribunal .

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

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

(4) The Secretary of State may by regulations provide that this section applies to a qualifying long term agreement—
(a) if relevant costs incurred under the agreement exceed an appropriate amount, or
(b) if relevant costs incurred under the agreement during a period prescribed by the regulations exceed an appropriate amount.

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

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

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

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

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

Section 20B

(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

(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 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 that tribunal;
(b) in the case of proceedings before a residential property tribunal, to the tribunal before which the proceedings are taking place or, if the application is made after the proceedings are concluded, to any residential property tribunal;
(c) in the case of proceedings before the Upper Tribunal, to the tribunal;
(d) in the case of arbitration proceedings, to the arbitral tribunal or, if the application is made after the proceedings are concluded, to a county court.

(3) The court or tribunal to which the application is made may make such order on the application as it considers just and equitable in the circumstances.

Commonhold and Leasehold Reform Act 2002

Schedule 11, paragraph 1

(1) In this Part of this Schedule "administration charge" means an amount payable by a tenant of a dwelling as part of or in addition to the rent which is payable, directly or indirectly—
(a) for or in connection with the grant of approvals under his lease, or applications for such approvals,
(b) for or in connection with the provision of information or documents by or on behalf of the landlord or a person who is party to his lease otherwise than as landlord or tenant,
(c) in respect of a failure by the tenant to make a payment by the due date to the landlord or a person who is party to his lease otherwise than as landlord or tenant, or
(d) in connection with a breach (or alleged breach) of a covenant or condition in his lease.

(2) But an amount payable by the tenant of a dwelling the rent of which is registered under Part 4 of the Rent Act 1977 (c. 42) is not an administration charge, unless the amount registered is entered as a variable amount in pursuance of section 71(4) of that Act.

(3) In this Part of this Schedule "variable administration charge" means an administration charge payable by a tenant which is neither—
(a) specified in his lease, nor
(b) calculated in accordance with a formula specified in his lease.

(4) An order amending sub-paragraph (1) may be made by the appropriate national authority.

Schedule 11, paragraph 2

A variable administration charge is payable only to the extent that the amount of the charge is reasonable.

Schedule 11, paragraph 5

(1) An application may be made to the appropriate tribunal for a determination whether an administration 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) Sub-paragraph (1) applies whether or not any payment has been made.

(3) The jurisdiction conferred on the appropriate tribunal in respect of any matter by virtue of sub-paragraph (1) is in addition to any jurisdiction of a court in respect of the matter.

(4) No application under sub-paragraph (1) may be made in respect of a matter which—
  (a) has been agreed or admitted by the tenant,
  (b) has been, or is to be, referred to arbitration pursuant to a post-dispute arbitration agreement to which the tenant is a party,
  (c) has been the subject of determination by a court, or
  (d) has been the subject of determination by an arbitral tribunal pursuant to a post-dispute arbitration agreement.

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

(6) An agreement by the tenant of a dwelling (other than a post-dispute arbitration agreement) is void in so far as it purports to provide for a determination—
  (a) in a particular manner, or
  (b) on particular evidence,
  of any question which may be the subject matter of an application under sub-paragraph (1).