



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

Case reference : LON/00AT/LSC/2015/00365

Property : Flat 3, 210 Bath Road, Hounslow,
Middlesex TW4 7DE

Applicant : 210 Bath Road Management
Limited

Representative : Urban Owners Limited

Respondent : Mr U and Mrs B Pasricha

Representative : N/A

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

Tribunal members : Judge Carr
Mr H Geddes JP RIBA

Venue : 10 Alfred Place, London WC1E 7LR

Date of decision : 17th December 2015

DECISION

Decisions of the tribunal

- (1) The tribunal determines that the sum of £1,066.82 is payable by the Respondent in respect of the service charges for the year 2014.
- (2) The tribunal makes the determinations as set out under the various headings in this Decision.
- (3) The tribunal does not make an order under section 20C of the Landlord and Tenant Act 1985.
- (4) Since the tribunal has no jurisdiction over county court costs and fees, this matter should now be referred back to the County Court at Brentford.

The application

1. The Applicant seeks a determination pursuant to s.27A of the Landlord and Tenant Act 1985 ("the 1985 Act") as to the amount of service charges payable by the Respondent in respect of the service charge year 2014.
2. Proceedings were originally issued in the County Court Business Centre under claim no. B1QZ7463 . The claim was transferred to the County Court at Brentford and then in turn transferred to this tribunal, by order of District Judge Atkin on 13th August 2015.
3. The relevant legal provisions are set out in the Appendix to this decision.

The hearing

4. At the directions hearing the tribunal determined that the case be listed for a paper determination unless either of the parties requested an oral hearing. No such request having been made the tribunal determines this matter on the basis of the bundle of documents provided by the Applicant.

The background

5. The property which is the subject of this application is a ground floor flat within a purpose built residential property comprising a single block housing 19 separate living units with one main communal external entrance leading to an open aired stairwell providing access to all floors via open aired landings.

6. Neither party requested an inspection and the tribunal did not consider that one was necessary, nor would it have been proportionate to the issues in dispute.
7. The Respondent holds a long lease of the property which requires the landlord to provide services and the tenant to contribute towards their costs by way of a variable service charge. The specific provisions of the lease and will be referred to below, where appropriate.

The issues

8. At the Case Management Conference the tribunal identified the relevant issues for determination as follows:

- (i) The payability and/or reasonableness of service charges for 2014 in particular:

- a. The need for a clear breakdown of the amounts claimed
 - b. The need for a copy of the current building insurance
 - c. The need for a fire risk assessment
 - d. The need for an electrical safety certificate
 - e. The need for an annual certificate for the servicing of the communal water tanks
 - f. The need for clarification as to the credits and debits against the account.

- (ii) The tribunal noted that the Respondent's claim for £4, 310 had not been particularised.

9. The directions issued by the tribunal at the Case Management Conference required disclosure of relevant documents by the Applicant and required the Respondent to identify agreed costs and disputed costs and required it to calculate any monies it considers it is 'owed'.
10. Having considered all of the documents provided, the tribunal sets out the arguments of the parties and makes determinations on the various issues as follows.

The argument of the Respondents

11. In a letter dated 20th November 2015 the Respondent argues that the Applicant has not fully complied with the directions.
12. Although the Respondent agrees that a breakdown of the amount claimed has been received along with a copy of the fire risk assessment, they state that a copy of the current buildings insurance has not been supplied, the annual certificate for the servicing of the communal water tanks has not been supplied and there has been no clarification as to the credits and debits against the account.
13. It also argues that the Applicant has failed to supply a summary of tenants' rights and obligations.
14. In addition the Respondent states that it disagrees with the budget amount issued by Urban Owners to manage the development. It argues that it managed the development for nearly three years and it is therefore aware of the costs required. It also states that it is owed management fees for the period it was a director of the company. It attaches a number of service charge demands relating to the period of his directorship.

The argument of the Applicant

15. In its written submissions dated 2nd December 2015 the Applicant's representative, Urban Owners, responds to the directions and the statement of case of the Respondent.
16. It states that since Urban Owners were appointed the Respondent has failed to pay any service charges.
17. It apologises for the failure to provide the current buildings insurance and attaches the current insurance schedule to its statement. It explains that it was not able to provide the certificate for the servicing of the communal water tank earlier as it had not received the relevant paperwork. However it attaches a copy of the certificate to the statement.
18. It disagrees with the Respondent's claim that the confusion about outstanding service charges remains as it has provided a complete service charge breakdown showing all of the debits and credits that have been applied against the Respondent's property.
19. In response to the claim that it failed to provide the necessary summary of tenants' rights and obligations it encloses copies of the demands it issued which are double sided with the tenant's rights and obligations on the reverse. It states that this is standard for all Urban Owners demands. It argues that the Respondent has failed to provide any evidence to support its claim.

20. In addition it argues that the Respondent has failed to set out the particulars of its dispute. It then sets out its own argument as to why the charges demanded by Urban Owners are payable and reasonable including arguments in connection with payments to a reserve fund.
21. Finally the Applicant argues that if any outstanding fees are owed to the Respondent that this is not a matter for the tribunal but for a claim to the small claims court.

The tribunal's decision

22. The tribunal determines that the amount payable in respect of service charges is £1,066.82.

Reasons for the tribunal's decision

23. The tribunal accepts the arguments and the evidence of the Applicant. The Respondent has not made any clear argument in connection with the payability and reasonableness of the demands other than to argue that when he was in charge costs were lower. However on scrutiny of the figures the tribunal finds that no evidence has been provided to substantiate the claim that the charges are not reasonable.
24. The tribunal also agrees with the Applicant that if the Respondent is owed money for his period of management of the property that this needs to be made as a proper claim to the court which is fully particularised.
25. The tribunal has no jurisdiction over ground rent or county court costs. This matter should now be returned to the County Court at Brentford.

Name: Judge Carr

Date: 17th December 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).