



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

Case Reference : **LON/00AH/LSC/2017/0353**

Property : **18, Langdale Road, Thornton
Heath, Surrey, CR7 7PP**

Applicants : **1. Lavaughan
Paulette Blake (FFF)
2. Kingswood
Property Developments Limited
(GFF)**

Representative : **Ms Morgan (Property Management)
Harmens Management**

Respondent : **Assethold Limited**

Representative : **Mr Gurvits of Eagerstates Limited**

Type of applications : **Section 27A Landlord and Tenant Act
1985(1985 Act) - determination of the
reasonableness and payability of
service charges; for an order under
section 20C of the 1985 Act and for an
order under paragraph 5A of Schedule
11 of the Commonhold and Leasehold
Reform Act 2002 (the 2002 Act).**

Tribunal Members : **Mrs H Bowers BSc (Econ) MSc MRICS
Mr M Taylor FRICS**

**Date and venue of
Hearing** : **13 March 2018
10, Alfred Place, London, WC1E 7LR**

DECISION

- No service charge contributions are payable by the Applicants to the Respondent for the period prior to the 2016/7 service charge year.
 - The total service charges payable by the Applicants for 2016/7 are £1,252.95. Each Applicant is liable for a 50% contribution.
 - The total service charges payable by the Applicants for 2017/8 are £3,357.64. Each Applicant is liable for a 50% contribution.
-

REASONS

Introduction:

1.) The Applicants, Ms Blake and Kingswood Property Developments Limited, represented by Harmens Management, made two applications, dated 25 August 2017, under section 27A of the Landlord and Tenant Act 1985 (the 1985 Act) for a determination of the payability and reasonableness of service charges for the service charge years 2007 - 2016, 2016/2017 and in advance for 2017/8. There was a second application made on the same date for an order under section 20C of the 1985 Act and included in the main application form an application under paragraph 5A of Schedule 11 of the Commonhold and Leasehold Reform Act 2002 (the 2002 Act). Original Directions in respect of these applications are dated 17 October 2017.

2.) Kingswood Property Developments Limited (Kingswood) is the leaseholder of the Ground Floor Flat and Ms Blake is the leaseholder of the First Floor Flat at 18, Langdale Road, Thornton Heath, Surrey, CR7 7PP (the subject property). Assethold Limited (Assethold) is the freeholder of the subject property under Land Registry number SGL66721, having acquired the interest in August 2016.

3.) The Original Directions identified the issues and set out the timetable as to how the parties should prepare for the case. The issues identified were:

- The payability and reasonableness of service charges for years 2007 to 2018. The service charge years run from 1 April to 31 March.
- Whether the service charges are payable by reason of section 20B of the 1985 Act.
- Whether the Tribunal should make an order under section 20C.

- Whether the Tribunal should make an order for reimbursement of the application/hearing fees.

4.) In addition the Tribunal will need to determine whether it will make an order under Schedule 11, paragraph 5A to extinguish the Applicants' liability to pay administration charge in respect of litigation costs.

5.) A hearing was originally arranged for Thursday 11 January 2018 at 10.00am at 10, Alfred Place, London, WC1E 7LR. In attendance were Ms Morgan representing the two Applicants accompanied by Ms Blake. Mr Gurvits of Eagerstates Limited attended on behalf of the Respondent. There had been various issues relating to the adherence with the Directions and as such Mr Gurvits made an application for an adjournment. The Tribunal determined that it would grant the application to adjourn as it felt that that the non-compliance with the Directions hampered both parties and the Tribunal from being adequately able to deal with the case. Further Directions were issued on 11 January 2018.

Hearing:

6. The re-arranged hearing was held on Tuesday 13 March 2018 at 10.00am at 10, Alfred Place, London, WC1E 7LR. In attendance were Ms Morgan representing the two Applicants and Ms Blake. Mr Gurvits of Eagerstates Limited attended on behalf of the Respondent.

Leases:

7. The lease for the Ground Floor Flat is dated 4 June 2007 and the original parties under the lease were Ellenwell Properties Limited as Landlord and Dawood Haddadi as Tenant. This lease is for a term of 125 years from 24 June 2006. The official copy of the leasehold title is under title number SGL750238 and indicates that Kingswood took an assignment of the lease on 12 September 2016. The lease for the First Floor Flat is dated 6 February 2007 and the original parties under the lease were Ellenwell Properties Limited as Landlord and Ms Blake as Tenant. This lease is also for a term of 125 years from 24 June 2006. The official copy of the leasehold title is under title number SGL704070.

8. The leases are essentially in the same form for all matters before the Tribunal. The Accounting Period is defined as 1 April to 31 March, or other such period as the Landlord may specify, but there is no indication that any other accounting period has been specified. The relevant proportions are 50% for each Tenant. By clause 4.4 the Tenant is obliged to pay the service charges as set out in the Fifth Schedule. Amongst other matters the covenants under clause 6 require the Landlord to maintain and keep in good and substantial repair and condition the structure of the building, all service pipes and conduits and the common parts and to decorate the relevant exterior and interior. There are obligations to keep

the common parts lit and clean and an obligation to insure. There is scope for the Landlord to employ staff, cleaners or other parties to comply with its earlier obligations. In addition the Landlord may employ a managing agent, chartered accountant, surveyors, builders, architects, and other professionals for the proper maintenance, safety and administration of the building. There is a sweeping up clause that allows the landlord to do other such work to the building and finally there is provision for a sinking fund.

9. The Fifth Schedule sets out the service charge mechanism. The mechanism provides for the Landlord to seek an Interim Maintenance Charge, payable in advance in two equal instalments on 1 April and 1 October. There are also provisions for the collection of a Further Interim Maintenance Charge. At the end of the Accounting Period the Landlord is required to serve on the Tenants a 'Certificate'. This Certificate is to be signed and if appropriate to be endorsed by an accountant. It is to include the total expenditure for the period, any Interim Maintenance Charges and Further Interim Maintenance Charges that have been paid and detail any over or underspend. The Landlord is then entitled to recover contributions towards any overspend and any surpluses are carried forward.

Inspection/Description:

10. Given the issues involved the Tribunal did not think that it was appropriate to make an inspection of the property. However included in the bundle were lease plans and photographs and the parties were able to assist in providing a brief description of the subject property. The property is an inner terrace house that appears to have been converted into the two flats. The rear garden area is included in the demise of the Ground Floor Flat. The First Floor Flat has an entrance door from the ground floor communal hallway and stairs leading to accommodation on the first and second floors. The communal areas include a small garden to the front of the house that is laid down to slabs and the internal communal hallway on the ground floor. This hallway is approximately 1 meter square, has no form of heating or electrical points, it is tiled in lino and houses the meters. There is a light to this area and this appears to be supplied from the Ground Floor Flat.

Submissions/Determination:

11. Assethold acquired the freehold interest in the property from Kingswood Investments Limited (unconnected to the second Applicant) and their interest was registered on 9 August 2016. The purchase was made at auction and the agreement for sale was included in the auction pack. A copy of the unsigned agreement was included in the bundle at page 218 and included reference to the Standard Condition of Sale (Fifth Edition). Paragraph 7.5 of the agreement states that "*Any rental insurance service charge and management fee arrears under any existing tenancy agreement and/or leases referred to in the Schedule of Notices of Leases in the Charges Register of Title Number*

SGL66721 calculated up to the date of completion will be added to the purchase price and the purchaser shall pay the full amount on completion without any objection upon a schedule showing the rent insurance service charge and management fee arrears being provided to the purchaser prior to completion". Mr Gurvits took the Tribunal to two schedules on pages 113 and 117 of the bundle. Both schedules are dated 1 April 2015, are headed Ideal Properties (London) Limited acting on behalf of Blaze Estates Limited and are rent/service charge accounts. The schedules state that for the Ground Floor Flat the amount due on 15 April 2015 is £15,193.04 and for the First Floor Flat the sum is £10,838.32. It was explained that on the acquisition of the property at auction, these were the sums paid in accordance with paragraph 7.5 of the sale agreement and that the paragraph did not allow the purchaser to raise any queries.

12. The Tribunal raised with the parties section 23 of the Landlord and Tenant (Covenants) Act 1995, which essentially provides that there is no right to a claim prior to the date of assignment, unless such rights are expressly assigned. Mr Gurvits stated that there was nothing in the agreement that was an express assignment of rights. He suggested that there may be a separate Deed, but he had no copy of such a document. Ms Morgan accepted the point and also stated that there was no evidence that the alleged arrears had been paid.

13. The Tribunal found that there was no express agreement of any rights to Assethold to make a claim for any alleged arrears prior to the date of assignment. As such for the period prior to August 2016, no service charges and administrations charges are payable by the Applicants to the Respondent.

14. In respect of this period of time, the Applicants had made a number of other submissions including that there had been a prior determination; that the amounts demanded were more than 18 months after the costs had been incurred; that the service charges were based on estimated rather than actual costs; that no work had been carried out; that for any works carried out that the standard of works or the costs charged were unreasonable and that no summary of rights had been served with the demands. Given the Tribunal's determination in paragraph 12, it is not necessary to address those points in relation to any alleged service charges prior to August 2016.

15. Before considering the details of the service charge items, the Tribunal turns its attention to a general point that was raised on behalf of the Applicants. Ms Morgan provided some history of the acquisition of the freehold by the Respondent. It is claimed that no notice was served on the Applicants under section 5B of the Landlord and Tenant Act 1987 and as such the Applicants lost their pre-emptive rights. Whilst that issue is being pursued in another forum, it is submitted that any service charge expenditure incurred by the Respondent is a form of 'unjust enrichment'. Whilst the Tribunal appreciates the frustration that

the Applicants may experience, the situation before this Tribunal in respect of the 2016/7 and 2017/8 service charge years is that the Respondent is the current landlord and is entitled to claim service charges in accordance with the lease and subject to the usual statutory controls.

16. The Tribunal now turns its attention to the service charge years since Assethold's ownership of the building. For the 2016/7 service charge years the actual service charge for this year totals £1,498.47 and the estimated sums for 2017/8 is £3,650.06. The service charge statement is certified by Eagerstates Limited and is dated 3 March 2017 (p115/6 and p121/2). For 2016/7 there are three service charge items identified: key cutting - £4.40 and this is accepted by the Applicants; insurance - £941.87 and management fees - £552.00. For 2017/8 the estimated charges are insurance - £1,036.06; fire, health and safety service - £400.00; surveyor's for insurance purposes - £900.00; management fees - £564.00 and repair fund (if needed) - £750.00.

Insurance 2016/7- £941.87; 2017/8- £1,036.06

17. Mr Gurvits explained that Assethold had a block policy for the whole of their portfolio. There is a Certificate of Insurance from Axa for the 2017/8 year, which shows the actual premium to be £1,033.18 (p185) and the policy is provided (p186 onwards).

18. Ms Morgan accepts that the landlord is not obliged to obtain the cheapest policy, but considers that the Respondent is obliged to seek a competitive quotation. The Applicants had sought alternative quotations from Axa with a premium of £451.22 (p104) and Pen Underwriting at £322.35 (p109). It is claimed that the proposed policies would be on the same terms other than the level of the excesses, but that as the excess would be levied on the leaseholders rather than the landlord then this is a factor that should not be taken into account. Mr Gurvits stated that the two alternative quotations did not include three years rental cover and Ms Morgan responded that even if this aspect were to be included that this would not explain the large difference between the level of premiums. Ms Morgan submitted that the Directions required the Respondent to provide sufficient information for the Applicants to obtain a like for like quote and that the Respondent should not be able to criticise the alternative quotations if they had not provided sufficient information.

19. It was suggested that to some extent the alternative quotations would be cheaper due to the possibility that lower initial quotes are given to attract new business. Mr Gurvits stated that there was no proposal form submitted and that this could impact on the level of premiums and so it is difficult to compare. He confirmed that the Respondent used an external broker and the market was tested every year, but he produced no evidence on this point, other than an undated and unreferenced letter from Kruskal Insurance Brokers. This letter

explained that they acted for Eagerstates Limited and the portfolio was insured with Axa Insurance, that the market was reviewed each year and that the policy is a full All Risks policy to include subsidence and the possibility of non-standard tenants. The portfolio nature of the policy meant that only a limited number of companies would consider the policy, but there were discounts to reflect the block policy nature of the insurance. Mr Gurvits stated that Kruskal was independent of the Respondent and that neither the Respondent nor Eagerstates Limited receive any commission. The block policy covers approximately 400 properties and whilst a mixed portfolio, most buildings comprise 2, 3 or 4 units. He confirmed that there was no adverse claims history against the property.

20. In the opinion of the Tribunal the level of premiums sought by the Respondent are at the top end. Block policies are not always a competitive solution for individual buildings. It is possible that under a block policy the individual premiums may suffer for the risks/losses that are experienced on different parts of the portfolio. The Applicants have done their best to seek alternative quotations and the Tribunal accepts the point that was made by Ms Morgan that the Respondent cannot criticize the terms of the alternative quotations as it was for the Respondent to provide all the requisite information. However, the Tribunal has some concerns with the quotation from Pen Underwriting, as the level of premium suggested seems a little unrealistic for the nature of the subject building. The levels of excesses do have an impact on the level of premiums, as would the lack of rental cover. The Tribunal is more minded to consider the alternative quotation from Axa as this is the same insurer as is currently in place. But the level of premium suggested at £451.22 is at the lower end of an expected range and would not appear to have the same level of excesses and has no rental cover. It is also likely that this was competitively priced in order to attract new business. Given the lack of a directly comparable quotation, but acknowledging that the current premium is too high, the Tribunal considers that it would be appropriate to go midway between the two figures (the premiums sought of £941.87 for 2016/7 and £1,036.06 for 2017/8 and the alternative quotation of £451.22) so the figure determined by the Tribunal for the insurance premium for 2016/7 is £696.55 and for 2017/8 is £743.64.

Management Fees 2016/7 - £552.00; 2017/8 - £564.00

21. In addition to her general submission about unjust enrichment dealt with in paragraph 14, Ms Morgan submitted that the management fee was excessive given that the subject property is a small house converted to provide two flats with a small communal internal area of approximately 1 meter square. The management tasks should be limited to providing the insurance and undertaking two inspections a year, although she later suggested an annual visit would suffice. As such the fee should be no more than £100 - £125 per flat and that a fixed fee basis is disadvantageous in a smaller block. No alternative

quotations have been provided and Ms Morgan relies on other decisions of the First-Tier Tribunal. It was explained that Ms Blake had carried out some weeding to the front garden and had cleaned the common parts and the second Applicant had decorated the internal common parts.

22. Mr Gurvits stated that the management fees were fixed with no other sums claimed unless there was a section 20-consultation exercise, this was the approach preferred by the RICS. Inspections were carried out on a regular basis and the photographs taken from those inspections were included in the bundle at pages 235 and 236. He submits that the fees are within an acceptable bracket. As to the Applicants carrying out works to the building, Mr Gurvits stated that such works are within the management responsibility of the Respondent. The Applicants had only informed the Respondent of any issues during the course of these proceedings. The management tasks include obtaining insurance and managing claims; the inspections; arranging to have the keys cut; dealing with the leaseholders and preparing the annual accounts.

23. The sums claimed by the Respondent equate to £276 per unit and £282 per unit for the two years in dispute. These sums include VAT. As mentioned in paragraph 14, whilst the Tribunal understands the point made by the Applicants in respect of a frustrated purchase of the freehold, the Respondent is the current freeholder and is conducting a management service. The Tribunal considers that the level of fees claimed is reasonable when the management duties include obtaining insurance cover and managing any claims, preparing the accounts, dealing with day-to-day issues and carrying out inspections. As such the Tribunal determines that the management fees of £552.00 for 2016/7 and £564.00 for 2017/8 are reasonable and payable.

Fire, Health and Safety Service 2017/8- £400.00

24. Ms Morgan stated that the internal common parts are small with only a communal light and the meter cupboards. Therefore there are no health and safety issues. So a survey is wholly unnecessary. It is suggested that the item is to provide an income stream for the landlord. Mr Gurvits submitted that it was necessary to obtain a health and safety report so that any risks could be identified and assessed.

25. This is an estimated sum anticipated on the conduct of a survey and the preparation of a report. The Tribunal considers that despite the communal areas being small, it is prudent for the landlord of such a building to arrange for such a report to ascertain whether there are any issues that need to be considered from a health and safety perspective. Accordingly the Tribunal determines that the estimated sum of £400.00 is reasonable and payable.

Surveyor Fee for Insurance Valuation 2017/8- £900.00

26. Ms Morgan agreed that it would be prudent to carry out a revaluation of the property for insurance purposes, but that there should have been a re-valuation on purchase and it was not necessary to re-assess every two years. Mr Gurvits considered that a regular revaluation for insurance purposes of between three to five years was needed.

27. In the opinion of the Tribunal it is good property management to undertake regular insurance revaluations to ensure that there is sufficient insurance cover for a building, whilst also ensuring a building is not over-insured. The Respondent had acquired the property in 2016 and there was no evidence that there had been an earlier revaluation of the property. The Tribunal agrees with Ms Morgan that valuations every couple of years would be un-necessary. But overall a revaluation for insurance purposes is a prudent step, a point accepted by Ms Morgan. At this stage the sum sought is an estimated sum and the final accounts will show how much was eventually spent on this item. The Tribunal determines that the fee set aside for this work is within a range that would be reasonable and as such the Tribunal determines that the sum claimed is reasonable and payable.

Repair Fund 2017/8- £750.00

28. Ms Morgan accepts that to have some money for reactive repairs would be prudent but that £750 was excessive and that a sum of £250 per flat would be adequate.

29. This is an estimated sum and when the final accounts are produced the estimated sums will be adjusted to reflect the actual costs incurred. Ms Morgan concedes that £250 per flat, equating to £500 in total would be reasonable and the sum being sought is £750. There is little difference between these two figures and given the estimated nature of the charges, the Tribunal considers it would be prudent to seek an estimated sum of £750 for any repairs that arise during the year. Therefore the Tribunal determines that £750 estimated for repairs is reasonable and payable.

30. A summary of the Tribunal's determinations in respect of the service charge items for 2016/7 and 2017/8 are included in the table below:

Item	2016/7	2017/8
Key Cutting	£4.40	-
Insurance	£696.55	£743.64
Management Fees	£552.00	£564.00
Fire, Health and Safety Service	-	£400.00
Surveyor Fee for Insurance Valuation	-	£900.00
Repair Fund	-	£750.00
Totals	£1,252.95	£3,357.64

Section 20C

31. There is an application under section 20C of the 1985 Act, that any costs arising in the course of these proceedings are not to be treated as relevant costs in respect of future service charge years. Mr Gurvits stated that there were no provisions in the lease for the recovery of these costs as service charges and as such the Respondent would not be seeking to recover such costs on that basis.

32. Although the Tribunal notes Mr Gurvits' concession, we are still obliged to make a determination on this application. We consider that in light of the overall success of the Applicants in this case that it would be reasonable to make an order that any costs that arise from these proceedings are not to be treated as relevant costs for future service charge years.

Paragraph 5A

33. Mr Gurvits acknowledged that as this is the Applicants' application, there was no means to recover any costs as administration charges under the lease. He confirmed that the Respondent would not be seeking any costs arising out of these proceedings as administration charges.

34. Again Mr Gurvits conceded this point. However for completeness the Tribunal determines that insofar as permitted under the lease, it would not be reasonable for the Respondent to recover the costs as administration charges. Therefore the Tribunal makes an order to extinguish the Applicants' liability to pay administration charge in respect of litigation costs.

Chairman: *Helen C Bowers*

Date: *12 April 2018*

ANNEX - RIGHTS OF APPEAL

1. 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.
2. 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.
3. 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.
4. 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.

Appendix

LANDLORD AND TENANT ACT 1985

Section 19 Limitation of service charges: reasonableness

- (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 provision of services or the carrying out of works, only of 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 Liability to pay service charges: jurisdiction

- (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 subject of determination by a court, or
- (d) has been 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.

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 First-tier 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 the 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;

- (ba) in the case of proceedings before the First-tier Tribunal, to the 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 the 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.

Landlord and Tenant (Covenants) Act 1995

Section 23.— Effects of becoming subject to liability under, or entitled to benefit of, covenant etc.

- (1) Where as a result of an assignment a person becomes, by virtue of this Act, bound by or entitled to the benefit of a covenant, he shall not by virtue of this Act have any liability or rights under the covenant in relation to any time falling before the assignment.
- (2) subsection (1) does not preclude any such rights being expressly assigned to the person in question.
- (3) Where as a result of an assignment a person becomes, by virtue of this Act, entitled to a right of re-entry contained in a tenancy, that right shall be exercisable in relation to any breach of a covenant of the tenancy occurring before the assignment as in relation to one occurring thereafter, unless by reason of any waiver or release it was not so exercisable immediately before the assignment.

COMMONHOLD AND LEASEHOLD REFORM ACT 2002

Schedule 11 Paragraph 5A - Limitation of administration charges: costs of proceedings

- (1) A tenant of a dwelling in England may apply to the relevant court or tribunal for an order reducing or extinguishing the tenant's liability to pay a particular administration charge in respect of litigation costs.
- (2) The relevant court or tribunal may make whatever order on the application it considers to be just and equitable.
- (3) In this paragraph—
 - (a) "*litigation costs*" means costs incurred, or to be incurred, by the landlord in connection with proceedings of a kind mentioned in the table, and
 - (b) "*the relevant court or tribunal*" means the court or tribunal mentioned in the table in relation to those proceedings.

<i>Proceedings to which costs relate</i>	<i>"The relevant court or tribunal"</i>
Court proceedings	The court before which the proceedings are taking place or, if the application is made after the proceedings are concluded, the county court
First-tier Tribunal proceedings	The First-tier Tribunal
Upper Tribunal proceedings	The Upper Tribunal
Arbitration proceedings	The arbitral tribunal or, if the application is made after the

proceedings are concluded, the county court.”