

FIRST-TIER TRIBUNAL PROPERTY CHAMBER (RESIDENTIAL PROPERTY)

Case reference : CAM/26UB/LSC/2020/0056

HMCTS code (audio, video, paper)

V: CVPREMOTE

Property : 47 Grove House, College Road,

Cheshunt, Hertfordshire EN8 9LZ

Applicant : Ana-Maria Burghelea

Respondent : B3 Living Limited

Representative : Devonshires Solicitors LLP

Type of application : Liability to pay service charges

Tribunal members : Judge David Wyatt

Mr D Barnden MRICS

Date of decision : 28 April 2021

DECISION

Covid-19 pandemic: description of hearing

This has been a remote video hearing. A face-to-face hearing was not held because it was not practicable and all issues could be determined in a remote hearing. The documents we were referred to are those described in paragraph 6 below. We have noted the contents.

Decisions of the tribunal

- (1) The tribunal determines that the following service charges are payable by the Applicant:
 - a. £1,190.27 for the period from 1 April 2019 to 31 March 2020; and
 - b. £931.92 as the charge payable in advance for estimated costs for the period from 1 April 2020 to 31 March 2021.
- (2) We understand that the Applicant made payments on account of these service charges, but neither party provided details. Accordingly, they will need to calculate any credit or balancing payment themselves.
- (3) The tribunal orders under section 20C of the Landlord and Tenant Act 1985 that 50% of the costs incurred by the Respondent in connection with these 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 Applicant.
- (4) The tribunal makes no order under paragraph 5A of Schedule 11 to the Commonhold and Leasehold Reform Act 2002.

Reasons

Application

- 1. The Applicant sought determinations under Section 27A of the Landlord and Tenant Act 1985 (the "1985 Act") of whether specific disputed service charges were payable by them.
- 2. The Applicant also sought orders to: (a) limit any recovery of the Respondent's costs of the proceedings through the service charge, under section 20C of the 1985 Act; and (b) reduce/extinguish their liability to pay an administration charge in respect of litigation costs, under paragraph 5A of Schedule 11 to the Commonhold and Leasehold Reform Act 2002 (the "2002 Act").
- 3. The relevant legal provisions are set out in the Appendix to this decision.

Lease

4. The Property, No. 47, is a studio flat on the first floor of a small block of 13 flats (Nos. 41-53), one of three blocks on the Grove House Estate. The Applicant is the only leaseholder in this block.

- 5. The long lease of the Property was made between Broxbourne Housing Association Limited (as landlord) and a predecessor in title to the Applicant (as tenant). In the lease:
 - (i) the tenant covenants to pay the Insurance and Service Charge Rent, defined as 1/13th of the Total Costs, on demand by four equal instalments on the usual quarter days, with provision in clause 3.1.4 for balancing payments;
 - (ii) the Total Costs refer to insurance and service charges for the Building in accordance with clauses 2.4.1 to 2.4.8 of the lease, plus: "... 15% (or any other reasonable percentage of the administrative costs) ..." and VAT. The service charges include making good any defects in the Structure, repairing maintaining and decorating the Structure and the Common Parts, heating lighting and cleaning the Common Parts, communal heating, provision of a caretaker (if any), garden maintenance and: "...professional fees reasonably and properly incurred in connection with compliance by the Landlord of any of its obligations under this Lease";
 - (iii) the Common Parts are the subject matter of the rights granted to the tenant in the Second Schedule (including rights to use pipes, drains, cables and communal walkways) which are to be enjoyed or used by the tenant and occupiers of the Building in common with each other, including but without limitation any bin stores, sheds, porches, fences and/or walls and other communal fixtures and fittings but excluding the roads and footpaths (if any) which are or become public roads or footpaths; and
 - (iv) the Structure includes the drains, gutters, soffits, external staircases, pipes, windows and doors of the Building.

Procedural matters

- 6. On 18 January 2021, a procedural judge gave case management directions. The parties exchanged documents pursuant to those directions and the Respondent produced a hard copy bundle of 322 pages for use at the hearing. On 9 April 2021, the Respondent's representatives produced further information and a test note for emergency lighting, which had been requested by the Applicant. On 12 April 2021, the Applicant replied to this, producing additional photographs. Later on 12 April 2021, the Respondent sent a skeleton argument from Angela Hall of Counsel.
- 7. There was no inspection. The directions noted that the procedural judge considered an inspection was not required, but relevant photographic evidence would be considered if produced in good time. Neither party requested an inspection and photographs were produced by both parties

- in relation to the matters in dispute. We are satisfied that an inspection is not necessary to determine the issues in this case.
- 8. At the hearing on 13 April 2021, the Applicant, Miss Burghelea, represented herself and gave evidence. The Respondent was represented by Ms Hall. Sophia Howells, head of housing, and Phoebe Twesiime, financial controller, gave evidence for the Respondent.

Service charges for the period from 1 April 2019 to 31 March 2020

9. The Applicant challenged the following specific service charges.

Block repair

- 10. Of total block repair costs of £1,644.65, the Applicant challenged £95.47, as her 1/13th share of £1,241.02, the total of three invoices (485155, 484361 and 484363). She did not challenge the reasonableness of these charges, but said they were not payable under the lease because they were for work on "public spaces". She said the only amount payable was £31.05, her 1/13th share of the balance of the £1,644.65.
- 11. The breakdown provided by the Applicant describes these disputed costs as, respectively: (a) £571.20 for attending to jet drains, finding a blocked road gully in the car park area, pumping out and attempting (unsuccessfully) to clear the blockage with high pressure water jetting equipment; (b) £27; and (c) £642.82. The latter refer to a "dropped kerb/gully" at the end of the three car parking spaces on the left on entering the rear car park.
- 12. The parties agreed the car park was used by residents. Miss Howells said that, although parking was not controlled, the car park was generally used only by residents of the three buildings or their visitors, and the maintenance team. The Applicant said she believed the work done was for the benefit of the whole estate; she had seen these contractors at work nearer another block. Ms Twesiime initially said she thought the cost had been apportioned between the blocks on the estate, but would have to check with colleagues. We asked whether that was correct; it would suggest the costs were high for the work described. Later, Miss Howells told us that the contractor had advised this work was to clear a drain which was linked only to the Applicant's block.
- 13. We are satisfied that the car park/gully area is part of the Common Parts and accordingly the appropriate proportion of the cost is payable under the lease, as Ms Hall submitted. However, we are not satisfied that the total cost was attributable only to the block. The evidence from the Applicant was not decisive on its own, depending on how the gully/drain runs. However, taken together with the Respondent's own descriptions of the works (referring only to a road gully/dropped kerb at the end of

the car parking spaces, blocked and causing flooding), the evidence produced to us makes out a prima facie case that these works benefitted the entire estate, not just the Applicant's block. The Respondent knew these charges were being challenged, but did not in any of the documents assert this was a drain which served the block alone, or produce written evidence of this. It did not even produce copies of the relevant invoices. The oral evidence from Miss Howells at the hearing may be correct, but was inconsistent with the documents produced by the Respondent and was not sufficient to satisfy us on the balance of probabilities that this cost related only to the block.

14. The Respondent had already explained that, where a cost relates to the entire estate and is not otherwise apportioned, the Respondent charges 1/53rd to each leaseholder. The parties agreed that 1/53rd was (in effect) the appropriate proportion for general estate costs; apportioning the relevant proportion to each block and then charging 1/13th of the apportioned cost would achieve the same result. Accordingly, we determine that the service charge payable in respect of the block repair costs is £54.47, comprising 1/53rd of £1,241.02 (£23.42) and the Applicant's agreed 1/13th share of the other block repair costs of £403.63 (£31.05).

Heating

- 15. The arrangement during this period was for the landlord to supply electricity to the space heaters in the flats. They were wired to a panel downstairs and only the landlord had access to the meter. Ms Twesiime confirmed there is a single meter for the total heating electricity supply to all the flats in the block. The Applicant's hot water supply comes from her own boiler.
- 16. The Applicant challenged the total heating costs of £7,520.63 (or, rather, her 1/13th share of £578.51). She said the actual cost for 2018/19 had been £275.36, so bills for twice that cost needed to be queried. She said the amount payable should be £300 to £350. She produced the Respondent's list of invoices for 2018/19, showing how her £275.36 had been calculated. When asked, she accepted that the latest invoice in the list was dated 11 December 2018, so this figure excluded costs billed from then until 31 March 2019. She accepted those three months were generally the coldest part of winter, when a lot of electricity would have been used. However, she pointed out that the Respondent's estimated charge for 2019/20 had been £308.37, which was probably based on consumption in previous years.
- 17. The Respondent said the amount charged was as billed for the period. It produced a copy of its agreement with Npower Limited (procured under a framework agreement arranged by Kent County Council's energy buying group), which refers to termination on 30 September 2020. It had produced some of the relevant invoices, but these covered only the

period from 22 May 2019 to 29 February 2020, and indicated that the meter was read only on 22 May 2019. All the other invoices are based on estimated consumption. The Applicant had pointed this out, but the Respondent had not produced any further invoices. It had confirmed in correspondence that it had received no credits from Npower in relation to this service charge year. Miss Howells and Ms Twesiime said the Respondent had relied on Npower, but normally arranges for meters to be read more often and is in the process of having smart meters installed.

18. In our assessment, the cost as charged by the Respondent was payable under the lease and reasonably incurred. The Respondent should have read the meters more often, or supplied the missing invoices if it did, and those invoices supplied are based on estimated consumption after May 2019. However, these sums were charged by Npower and incurred by the Respondent. The invoices supplied are consistent with the overall level of the charges. If actual consumption proves to be lower than the usage estimated and charged by Npower, the bills for the following service charge year will be lower to account for that.

Caretaking and cleaning

- 19. The Applicant challenged the total caretaking and cleaning costs of £2,365.51 (or rather, her $1/13^{th}$ share of £181.96). She said the floors had not been swept or mopped often enough, if ever. She produced photographs showing various damp, stained and untidy-looking areas, pointing to items such as chewing gum that she said had not been removed over a long period of time, rubbish bags which she said had been on the corridors for weeks until she made a complaint, faded graffiti-type marks on brick walls and similar matters. She said that trespassing and anti-social behaviour were pressing problems at the building, with people urinating on walls and so on. She said the amount payable should be the equivalent of 20 minutes on cleaning services, because the cleaner spent this time taking the bins out of the bin stores for the Council to empty and then replacing them. When questioned, she described her usual working hours. She said the condition of the floors and stairs indicated failure to clean properly.
- 20. The Respondent said the caretaker team attended every week, with 128 minutes allocated to sweep/mop, clean, pick up litter and tidy the bin rooms, prioritising tasks in different weeks. It pointed out that the block is open, with concrete steps and floors exposed to the elements. It said the caretakers also visited on an ad hoc basis, when any waste on site was reported. Miss Howells said fly-tipped waste was removed within 10 days of being reported and the caretakers would put notices on any items left outside residents' properties and remove then if they were still there seven days later. She said the cleaners had to re-bag rubbish left in carrier bags and the like, because otherwise the refuse people would not collect them, and cleaning the bin stores. In response to questions from the Applicant, she said the cleaners would knock on doors to ask

residents to move items left on corridors and the Respondent would write and call to encourage compliance. She said that problems shown in the Applicant's photographs had been attended to, but could not be ruled out because the block was open to the public and it was not practicable to restrict access. She said that the Respondent is installing CCTV and working with the local police to discourage anti-social behaviour.

In our assessment, the cost as calculated by the Respondent was payable under the lease and reasonably incurred. We sympathise with the problems described by the Applicant, but they appear largely to be the result of anti-social behaviour which would be expensive to control further. The Applicant may often be out when cleaning work is done. The relevant areas are open to the elements and photographs in the fire risk assessment report give the impression of a better overall condition. The depth and rigour of the cleaning may not have been as good as it could have been, but the cost being charged equates to just over £15 per month for weekly visits. It seems to us that better cleaning is likely to be more expensive than this, given the other work the cleaners need to do in relation to the bin store, collecting litter and the like.

Grounds maintenance

- 22. The Applicant challenged the total grounds maintenance costs of £860.93 (or her 1/13th share of £66.23). She said the standard of service was not reasonable, since the shrubs reached heights of 2m. She said the trees on site did not need maintenance, the grass did not grow strongly because people walked over it and she had not seen much work being carried out. She also argued that the other parts of the estate should contribute to these costs, having been concerned by a reference in the documents to a 1/13th apportionment.
- 23. Miss Howells identified the garden areas on the lease plan. She and Ms Twesiime confirmed that the grounds maintenance costs were apportioned between the blocks, before the 1/13th proportion was then charged. Miss Howells said the shrubs typically had four visits each year and during the growing season the team would aim to cut the grass every two to three weeks. The Respondent said it was not responsible for all the grounds maintenance, with some surrounding land owned by Broxbourne Council (who had been asked to attend to cut back the shrubs) and others, as indicated in an ownership plan produced following further queries about this from the Applicant.
- 24. The Applicant argued that nothing was payable in the absence of invoices. The Respondent said that the caretaking/cleaning and grounds maintenance staff are its employees, so there are no invoices for these services; it divides their salaries by the hours worked on site per week to calculate the service charge. It said these staff maintained the grass and

- shrubs immediately around the block, with the Respondent paying Broxbourne Council annually for ground maintenance of other areas.
- 25. In our assessment, the cost as calculated by the Respondent was payable under the lease and reasonably incurred. It equates to less than £6 per month. As noted below, the Applicant accepted that the shrubs (which do seem likely to be owned by others) were cut in October 2020. Even if grass is in poor condition or walked over, it will need to be cut regularly in summer.

Management fee

- 26. The Applicant disputed the management fee of £1,820 (or, rather, her share of £140). She said that anything over 15% of the other service charge costs, plus VAT, was unreasonable taking into account the poorquality services.
- 27. Based on our findings above, this fee is less than 15% of the other service charge costs. We are satisfied that it is payable under the lease and (at £140 per flat) reasonably incurred.

Service charges for the period from 1 April 2020 to 31 March 2021

28. The Applicant challenged the following specific service charges for estimated costs.

Block repair

- The Applicant disputed total block repair costs of £1,419.34 (or, rather, 29. her share of £109.18). She said the standard of service was unreasonable, referring to poor-quality repairs to external stairs using material paler in colour than the weathered concrete stairs. At the hearing, she said such matters made her flat unsaleable and the material used for the repairs had come away from the steps, but had produced no written or photographic evidence of this. She accepted that she had purchased her flat in 2018 and she had asked for the stairs to be repaired. The Respondent pointed out that the sum charged was an estimated figure, to allow for potential repair work through the service charge year. It said the repairs queried by the Applicant (to minor cracks in the stairs) had been inspected. It said that, while the cement did not match the colour of the stairwell, this would have been difficult to match and the repairs were of sufficient quality/durability.
- 30. In our assessment, this cost as estimated by the Respondent is reasonable and payable under the lease. It is an appropriate estimate to cover potential repair costs during the year. It would have been difficult to repair the stairs invisibly. The Applicant did not produce any evidence

of any functional problem with the repairs - or how they should have been done better, or to give a better appearance, at a reasonable cost.

Window cleaning

31. The Applicant challenged window cleaning costs of £99.97 (or her share of £7.69), saying there were no communal windows. Ms Twesiime confirmed in her witness statement that no such service is provided, there was no such charge for 2019/20, and this charge in the 2020/21 estimates would be reversed once the final accounts were issued in September 2021.

Heating

- 32. The Applicant challenged the total estimated heating costs of £7,904 (or, rather, her share of £608). She said that, at 8am on 22 July 2020, she had been taken off the communal electricity supply and the heaters had been wired to her own domestic electricity supply. She said the amount payable would be the electricity incurred to this date. The Respondent accepted that the Applicant had been removed from the communal supply in July 2020. Ms Hall submitted that it was not reasonable to expect a landlord to amend estimates for individual charges throughout the year. Ms Twesiime said the Applicant would receive a refund for the period from July 2020 once the final accounts were issued in September 2021.
- The Applicant is still being asked to pay for the estimated costs of a full 33. 12 months' supply from 1 April 2020, when the parties agree she will only be responsible for her share of the cost of the first four of those 12 months. The effect is that, in addition to paying her actual electricity suppliers for heating from July 2020, she is paying advance charges to the Respondent for electricity she is not using from the communal supply, before those advance charges are eventually refunded to her. She said in her application form that she would struggle to make such payments. We would not expect the landlord to constantly amend its estimates throughout the year, but the Applicant is the only leaseholder in this block and on this communal meter. The question for us to decide is whether it is reasonable now to determine a figure knowing that most of it will probably need to be refunded. In our view, it is not. Given the seasonal variations in heating costs, we have been cautious about apportioning based on time only, but we do so because average consumption between April and July 2020 is unlikely to be higher than average consumption between August 2020 and March 2021. Further, the estimated charges billed by Npower for the previous year may well have been greater than actual consumption. Accordingly, we determine that the reasonable estimated heating charge payable by the Applicant is £202.67 (four twelfths of the £608 estimated by the Respondent).

34. For the avoidance of doubt, this charge is based purely on a reasonable estimated cost. It will be for the Respondent to use the final bills to calculate the actual heating electricity costs to July 2020 and arrange a refund/credit for any excess or collect any shortfall. If the parties cannot reach agreement on that when the Respondent prepares its accounts in September, this decision does not preclude either of them from making a new application under section 27A for determination of the final charges reasonably incurred for this service charge year. However, they are encouraged instead to seek to reach agreement in due course.

Caretaking and grounds maintenance

- 35. The Applicant disputed the total caretaking costs of £1,962.09 (or her share of £150.93) on the same basis as in the previous year. She also disputed the total grounds maintenance costs of £1,297.66 (or her share of £99.82) on the same basis as in the previous year, but admitted that the Council had trimmed the shrubs in October 2020. Miss Howells said that grounds maintenance was suspended for six weeks in 2020 because of the Coronavirus pandemic.
- 36. For the reasons set out above in relation to the previous service charge year, in our assessment, these charges were payable under the lease and reasonable.

Fire equipment maintenance/testing

- 37. The Applicant challenged a fire equipment maintenance cost of £62.27 (or her share of £4.79). She said there was no fire equipment in the building. The Respondent said this was a charge for testing the emergency lighting. It produced collective invoices from SNG Limited and the test note mentioned above. The Applicant had challenged this, saying there were 21 lights, so the note referring to testing 15 lights showed that the work was not being done properly. Miss Howells explained that not all the 21 lights shown in the Applicant's photographs were emergency lights. 15 had battery back-up, and the requisite tests were to check these were working properly.
- 38. In our assessment, these charges based on the Respondent's estimate were payable under the lease and reasonable. We accept the evidence of Miss Howells, which is consistent with the photographs produced by the Applicant. The estimated cost is in line with the similar cost in the previous year, with an allowance for inflation.

Management fee

39. Finally, the Applicant challenged the management fee of £3,250 (or her share of £250). Ms Twesiime said this fee included leasehold management and administration, work on service charge statements,

collecting service charges, bank costs, sending statements/notices and dealing with queries and complaints, costs of procurement of contracts, managing contracts and services, surveyor visits, costs of acquiring services such as insurance, checking and paying supplier invoices and a share of general overheads, such as the costs of the finance team, information technology and facilities. At the hearing, she explained that the management fee is substantially higher than the previous year because it had not been reviewed since 2012. The Respondent had calculated its costs and apportioned them between all its buildings. Ms Twesiime said it had not benchmarked the fee against other property managers, but had checked the fees charged by others in the market and decided that £250 per flat was reasonable.

40. In our assessment, the reasonable charge payable by the Applicant for the estimated management fee for 2020/21 is £200. Under the lease, the fee is to be a reasonable proportion of the other service charge costs, which will be lower because of our other determinations above. Further, given the nature of this flat and the block, we consider that up to £200, but no more, is a reasonable estimated management fee.

Conclusion

- 41. Accordingly, the total sum sought by the Respondent for 1 April 2019 to 31 March 2020 (£1,262.31) is reduced (by £72.04) to £1,190.27, to reflect our reduction of the block repair costs from £126.51 to £54.47.
- 42. The total sum sought by the Respondent for 1 April 2020 to 31 March 2021 (£1,394.94) is reduced (by £463.02) to **£931.92** to reflect:
 - (i) the agreed refund of window cleaning costs of £7.69;
 - (ii) our reduction of the estimated heating electricity cost from £608 to £202.67; and
 - (iii) our reduction of the management fee from £250 to £200.

Section 20C/paragraph 5A applications

43. None of the parties could point to any particular administration charge which might under the terms of the lease be made in respect of the costs of these proceedings. Accordingly, we make no order under paragraph 5A of Schedule 11 to the 2002 Act. However, this decision will not preclude either party from making an application under paragraph 5 of Schedule 11 of the 2002 Act for determination of such any such charge, or the Applicant from making a new application under paragraph 5A, if the Respondent does attempt to make any such administration charge for the costs of these proceedings.

- 44. As to the application under section 20C of the 1985 Act, the Applicant referred to the matters described in her application form, and lack of transparency from the Respondent. Ms Hall submitted that the Respondent had provided information and explanation in extensive correspondence with the Applicant. She rightly accepted that some answers had only been given at the hearing, but said the Respondent had attempted to provide as much information as possible. She submitted that in large part the reason for the proceedings was the Applicant's dissatisfaction with anti-social behaviour and the resulting condition of the buildings, not the reasonableness of the service charges.
- 45. We are satisfied that we should not make an order prohibiting recovery of all costs through the service charge, or for reimbursement of the tribunal fees paid by the Applicant. The Applicant was no doubt upset about the matters she raised in these proceedings, and previous problems she alleged (including being without heating for six weeks during a previous winter), but her approach in correspondence was demanding and robust. She has not been unreasonable, but she has been unsuccessful in relation to many of the items she challenged in these proceedings. Further, the Respondent's solicitors helpfully produced the bundle for use at the hearing, although it contained many duplicates.
- However, until the hearing, even in these proceedings the Respondent 46. was prone to giving generalised corporate responses to questions rather than the simple factual explanations needed. It instructed legal representatives but did not seem to have given them the documents/ information which was required by the case management directions or needed to answer the relevant questions. We have reduced several of the charges it sought to make, particularly the substantial advance heating charge for 2020/21; the Respondent had not reviewed these despite subsequent developments and the proceedings. In all the circumstances, we have decided that it would be just and equitable to limit any recovery of the costs of these proceedings through the service charge to 50%. On the information produced to us, this should not cause any unfairness in relation to other leaseholders, because Miss Howells confirmed that the Applicant is the only leaseholder in this block. This decision does not preclude either party from making an application under section 27A of the 1985 Act for determination of payability of any service charge in relation to such costs.

Name: Judge David Wyatt Date: 28 April 2021

Rights of appeal

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

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

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

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

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

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

Appendix of relevant legislation

Landlord and Tenant Act 1985 (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.