



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

Case reference : **CAM/22UCX/LSC/2022/0037**

**HMCTS code
(audio, video,
paper)** : **Paper**

Property : **9 Jutland Court, Mountbatten Road,
Braintree, Essex, CM7 9GJ**

Applicants : **Aaron Stephen Lee**

Representative : **In person by written representations**

Respondent : **Gateway Property Limited**

Representative : **In person by written representations**

Type of application : **Liability to pay service charges**

Tribunal members : **Judge Aaron Walder**

Date of decision : **29 November 2022**

DECISION

Decisions of the tribunal

(1) The Tribunal determines that in relation to the following sums calculated by the Respondent landlord for the following years:

- a) 1 January 2021 to 31 December 2021 - £20,018.00
- b) 1 January 2020 to 31 December 2020 - £20,186.00

Those sums are reasonable and payable.

From the total sums demanded, the Tribunal has deducted the sum of £252 from the 2020 service charge year, and £372 from the 2021 service charge year.

The Applicant's due proportion appears to be 7.14% of those total sums, unless the Respondent has altered that percentage in accordance with the terms of the Lease.

- (2) The tribunal does not make an order under section 20C of the Landlord and Tenant Act 1985 (the "**1985 Act**") that 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.
- (3) The tribunal does not make any order in relation to application and hearing fees paid by either party.

Reasons

Applications

- 1. The Applicant sought determinations under section 27A of the 1985 Act as to whether certain service charges from were payable by them. Extracts from the relevant legal provisions are set out in the Appendix to this decision. By his application form, the Applicant did not seek an order to limit any recovery of the Respondent's costs of the proceedings through the service charge, under section 20C of the 1985 Act. He was invited to make his position clear in the directions, but his submissions make no reference to such an application.

Procedural history and Documents before us

- 2. The application, dated 20 June 2022, was lodged at the office for the Eastern region (where the Property is situated). On 18 July 2022, a Procedural Judge gave case management directions which required that the Applicant send to the Landlord a schedule setting out the charges in dispute and their reasons for that dispute; a statement setting out the relevant service charge provisions in the lease; any legal arguments that they wished to rely upon and any other matters they wished to rely upon.

3. The directions further required the Landlord to respond to the points made by the tenant, and file a statement setting out their case on the disputed items of service charge.
4. The Applicant filed a 5 page statement setting out the disputes he wished to raise, and a 1 page schedule detailing those items. He also provided a number of photographs of the property, and a schedule setting out what he avers those photographs show.
5. The Landlord filed a statement of case prepare by Kerry Coleman (solicitor) setting out the issues and addressing them one by one, making submissions of law and fact in support of the sums charged. That document was supported by a number of annexures which included invoices and other service charge related documents, as well as a response to the schedule.
6. These documents have been placed into a bundle of some 310 pages. The Tribunal has based its decision on these documents alone, no site visit having been deemed necessary.

Lease

7. The Applicant is the long lessees of Flat 9, Jutland Court, Braintree Essex.
8. The Tribunal was provided with a lease dated 22 December 2017 and made between the Applicant of the one part and Dimora Mountbatten Limited of the other. The lease is for a term of 125 years from 1 August 2017.
9. The following summary refers to relevant terms dealing with service charges:

By clause 1.1

“Basic Service Charge” means a sum equal to the Service Charge Percentage of the Expenditure for the whole of the Managed Land for each Service Charge Year or such other sum as shall for the time being be the Basic Service Charge under the provisions of sub-clause 5.8

“Managed Land” means the Block Common Parts, the Estate Common Parts and the parking spaces....

“Service Charge Percentage” as defined in Schedule 4

By clause 2

[The Tenant agrees to pay] throughout the Term the Rent on 1 January in each year if demanded and by way of further rent the Service Charge in the manner and on the dates set out as provided in Schedule 4.

By Clause 4.9 of the Lease, the Landlord covenanted

at all times during the Term...to insure in such amounts as the Landlord may from time to time determine the Block in its full reinstatement value against fire and such other risks as the Landlord may determine.

By Clause 4.10 of the Lease, the Landlord covenanted to use reasonable endeavours:

- (a) To provide and maintain an entry phone system for the block
- (b) To provide such additional insurances as are considered by the Landlord to be desirable in the interests of the good management of the Estate
- (c) To provide such maintenance of the Block Common Parts (whether by contract or otherwise) as may be considered by the Landlord to be desirable in the interests of good management of the Estate
- (d) To provide and maintain a communal television aerial and fire fighting equipment; and
- (e) To pay all existing and future rate and other charges assessments and outgoings in respect of the Managed Land or the Block as a whole.

By Clause 4.11 of the Lease, the Landlord covenanted to use reasonable endeavours to keep in good repair and condition:

- (a) The roof, foundations, exterior and main structure of the Block and any outside areas and any railings or boundary fences
- (b) The Service Media and installations serving the Managed Land and serving the Demised Premises in common with other flats in the Block
- (c) The frames sashes and reveals of the external windows in the Block; and
- (d) All such other parts of the Managed Land the repair and maintenance of which is not the liability of the tenant or occupier for the time being of it or any part of it

By Clause 4.13 of the Lease, the Landlord covenanted to

- (a) Keep in good and substantial repair and condition the Block Common Parts to keep it regularly cleaned and redecorated so often as appropriate and to keep the same adequately heated and properly lighted unless prevented from doing so by a power failure or mechanical failure outside the control of the Landlord.
- (b) To pay all rates, taxes, assessments and outgoings charged or imposed or assessed in respect of the Block Common Parts and parts of the Estate not the subject of a demise to any other tenant
- (c) To clean repair and replace when necessary the carpets or other floor coverings in the Block Common Parts.

By Clause 4.14 of the Lease, the Landlord covenanted to

- (a) Maintain, repair, resurface and renew as often as may be necessary all drives, accessways, paths and the Parking Spaces within the Managed Land
- (b) Mow the grass, generally cultivate and keep tidy and properly tended all garden or amenity area within the Managed Land
- (c) Maintain, repair and replace (where relevant) so often as may be necessary the Estate Common Parts

By Schedule 4 para 1

“Service Charge Percentage” means 7.14% provided always that the Service Charge Percentage may at any time during the Term be altered in accordance with clause 5.8 of this Lease.

By Schedule 4 para 2

The Basic Service Charge shall be £800.50 per annum or such other yearly sum as the Landlord shall from time to time determine under clause 5.8 having regard to the anticipated Expenditure for the year in question and notified in writing to the Tenant.

By Schedule 4 para 3.1

Pay to the Landlord by equal half yearly payments in advance on the first day of January and the first day in July each year the Basic Service Charge

By Schedule 4 para 3.2

If the Service Charge Percentage of the Expenditure shown by the statement referred to in sub-clause 4.15(b) shall exceed the Basic Service Charge paid in respect of such Service Charge Year the Tenant shall within 21 days after receiving notice in writing of the same from the Landlord pay to the Landlord the amount of such excess (the Excess Service Charge)

By Schedule 4 para 4.1

The Landlord may include as an item of Expenditure for any Service Year an amount which the Landlord reasonably determines is appropriate to build up and maintain a sinking fund in accordance with the principles of good estate management.

By Schedule 4 paragraph 5

The Expenditure comprises the costs incurred by the Landlord in discharging its obligations (including any varied obligations) under clause 4.9 – 4.14 inclusive and together also with the cost (or notional cost) of the following items....

- (e) the proper fees and expenses of any person firm or company employed by the Landlord for the management or security of the Block....
10. The regime in this Lease therefore broadly follows the usual regime in a residential lease. The Landlord has a list of services it is obliged to undertake. It is entitled to charge the tenant a sum, twice yearly in advance, to cover the cost of those works. In this lease, that advance sum is set at £800.50 (not £850 as the Respondent suggests in their Statement of Case). However, the Landlord does have a discretion to change this sum under clause 5.8.
 11. If the tenants (set) percentage of the total cost of the works in any one year exceeds the fixed amount, the Landlord is entitled to give notice in writing to the tenant to demand the excess, which the tenant is obliged to pay.
 12. The regime seeks to minimise the instances of this occurring, by providing that the Landlord may also collect a sum each year by way of a reserve fund.

13. Further, the Tribunal notes that with regard to many of the obligations on the Landlord, it has a wide discretion as to how it fulfils those obligations.
14. The Tribunal notes that by the demands sent to the Applicant, the percentage sought is stated to be 7.1429%. However, at paragraph 1 of schedule 4, the Lease states this figure should be 7.14%. The Tribunal further notes however that in certain circumstances the Landlord is entitled to change this. The Tribunal has had no submissions on the amount of this percentage, and as such makes no determination on it.

Service charges in dispute

15. The Applicant states in his application notice that he disputes the service charges for 2020 and 2021.
16. By his schedule, the Applicant takes issue with the following matters
 - a) Landscape Maintenance at £2912 for 2020 and £2959 for 2021;
 - b) Internal communal cleaning at £2340 for 2020 and £2498 for 2021;
 - c) Communal window cleaning at £192 for 2020 and £192 for 2021;
 - d) Electricity at £558 for 2020 and £507 for 2021;
 - e) Repairs and renewals at £3338 for 2020 and £2357 for 2021;
 - f) 24/7 emergency service at £420 for 2020 and £420 for 2021;
 - g) Health and Safety at £684 for 2020 and £684 for 2021;
 - h) Management fees at £3776 for 2020 and £4002 for 2021;
 - i) Bank Charges at £84 for 2020 and £84 for 2021;
 - j) Building and public liability insurance at £3801 for 2020 and £4190 for 2021;
 - k) Account management fee at £252 for 2020 and £252 for 2021;
 - l) Site inspectors at £240 for 2020 and £360 for 2021;
 - m) Insurance valuation at £700 for 2020;
 - n) Emergency light flick testing at £720 for 2021;
17. According to the accounts, the total sum expended and demanded in 2020 was £20,438. The total sum expended and demanded in 2021 was £20,390.

Submissions

18. The Applicant made a number of different arguments, mainly seeking further evidence from the Respondent as to how monies were spent. Adopting the same lettering as set out above, he submitted that
 - a) The pandemic and associated lockdown must have prevented work being done to the site, and the contract cannot have been fulfilled;

- b) A similar argument about lockdown and inability to fulfil contracts is made in relation to this cost;
 - c) He has never seen this work being undertaken;
 - d) He has seen no evidence of these costs, and the anticipated cost was much lower;
 - e) There is no available evidence of what work was done here, and some may have been covered by insurance or warranties. It may be the Landlord passed the costs on to tenants rather than claimed from the insurers in an effort to keep the premiums lower;
 - f) He is unsure what 24/7 emergency cover is actually in place;
 - g) He is unsure what health and safety work was undertaken during the relevant periods;
 - h) He assumes there would have been a reduction in man hours due to the pandemic;
 - i) He would like to see evidence that these bank charges were correctly applied to Jutland Court;
 - j) He does not understand why the insurance premium has risen
 - k) He does not know what the account management fee relates to or why it is separate from the main management fee;
 - l) He does not know what the site inspection fee relates to;
 - m) Given the building is relatively new with no major works, he does not see the necessity of an insurance valuation, nor does he understand why this should be paid for. It is also suggested it did not appear in the anticipated budget;
 - n) It is suggested this did not appear in the anticipated budget.
19. There is also an Applicant's response to the Respondent's case which sets out his response to the Respondent's submissions.
20. The Respondent also made its submissions in writing. Again, using the same lettering as above:
- a) The landlord submits monthly invoices for 2020 and 2021 from Gateway Facilities Management Limited for grounds maintenance;
 - b) The same company submit monthly invoices for communal cleaning for 2020 and 2021;
 - c) Yearly invoices for window cleaning from a separate company are said to be submitted as annex 10, but that annex has not made it to the Tribunal's bundle of papers. However, the Applicant no longer pursues this point by his response to the Respondent's case, so it is not necessary to see this documents;
 - d) The Respondent accepts that the budget for electricity charges was insufficient, but discloses the actual bills showing the sums demanded were actually incurred;
 - e) The Respondent again accepts the criticisms that budgeted costs for repairs and maintenance was low, but contends the actual cost (as billed) was not unreasonable. The invoices showing the works done are exhibited;
 - f) With regard to the out of hours emergency service, the Respondent points to the RICS code of conduct and exhibits the invoices;

- g) The Respondent exhibits the invoices for Health and Safety and contends they are reasonable. The Applicant does not contest this;
 - h) The Respondent exhibits the invoices for management fees and contends they are reasonable;
 - i) The Respondent exhibits the invoices for bank charges and contends they are reasonable;
 - j) The increase in insurance premiums are suggested to be due to a “hardening market” due to increased pay outs and inflationary costs. Again, the invoices are exhibited;
 - k) The account management fee is said to be caused by the “additional administrative duties” carried out by the Landlord to manage each individual account;
 - l) With regard to site inspections, the Tribunal is told these are carried out twice a year at a cost of £100 plus VAT per visit. The invoices are provided again. The Respondent is willing to concede the cost of one of the three inspections carried out in 2021;
 - m) The insurance valuations are said to be necessary every 3 years. The invoice is exhibited;
 - n) The Respondent exhibits the invoices for flick testing and contends they are reasonable as they are necessary by fire safety legislation.
21. The Applicant then responds to the Respondent’s statement of case. He makes specific allegations about the landscape maintenance, contending that the parking area has not been kept to a satisfactory level. He offers a quote from Harlow Garden Services, and suggests they could do the same work for £3024 total.
22. He criticises the 2021 cost of internal communal cleaning stating the estimated cost was wrong and this shouldn’t happen given the link between the Landlord and the company providing the services. However, no alternative costs are provided.
23. The electricity costs are suggested to be higher than they should be, and no “benchmarking” has been done. The Tribunal presumes this means looking for cheaper providers, since the Applicant refers to his personal electricity provider as being cheaper than British Gas.
24. With regard to repairs and maintenance, the main thrust of the argument is not that the works were done, it is that they either benefit one flat disproportionately, or they ought to have been claimed from the insurance. It is also suggested that the benchmarking and procurement process is ineffective, causing costs to be higher. The installation of the grit bin is used as an example.
25. With regard to the 24/7 emergency response, he points out that these services were not requested by leaseholders, which the RICS statement is predicated upon. He also states there are 14 units, so if the Landlord’s statement about £20 + vat per unit was considered, that would give a cost of £336 per annum, not £420.

26. With regard to management fees, the Applicant wanted to see timesheets and a breakdown of work, but states that since this has not been provided he cannot justify these charges. He repeats this criticism for the account management fee.
27. With bank charges, he makes the same criticism, that bank statements have not been provided.
28. He is generally critical of the insurance charges, although has not provided an alternative.
29. The Applicant considers there have been too many site views, even after the Respondent's concession regarding one of the three visits in 2021.
30. There is more general criticism of the insurance valuation, which he notes was overlooked in the 2019 estimate. He repeats his criticism of the value of the insurance payments overall.
31. His criticism of the light flick testing is that it does not appear to have been charged previously, so it was assumed to be part of the general maintenance costs. No alternative cost for this has been provided however.

Discussion

32. The Tribunal accepts that all of the services complained of are services that the Landlord is obliged to carry out pursuant to the Lease. The Applicant accepts this for many of the complaints, and only invites the Tribunal to find that the 24/7 Emergency Service is not covered by the Lease.
33. The Tribunal disagrees, and considers such a service would be covered by Schedule 3, clause 30, which allows for "such other expenses (if any) incurred by or on behalf of the Company in or about the proper management and maintenance of the Estate". The Tribunal is satisfied that the services are provided and they are incurred in the proper management of the Estate.
34. As such, in relation to all other matters, the consideration of the Tribunal is as per its jurisdiction under section 19 (set out in the Appendix to this Judgment) as to whether the costs are reasonably incurred.
35. It is clear that the landlord has instructed professional's to undertake works on its behalf. There are a number of invoices provided and while some work is undertaken by what appears to be an associated company, that occurs regularly in the case of residential block management and in

no way disqualifies the Landlord from properly charging that amount back to the tenants.

36. A number of cases (see *Forcelux Ltd v Sweetman and Parker (2001) LRX/14/2000, LT*; and *Veena SA v Cheong (2003) LRX/45/2000, LT*) have made it clear that the proper consideration under section 19 is two-fold. It involves consideration of

- a) whether the landlord's decision-making process appropriate and properly effected in accordance with the terms of the lease and reasonable under the provisions of LTA 1985 and proper practice; and
- b) whether the amount incurred, to which the tenants are required to contribute, reasonable as distinct from being out of line with the market norm (per PR Francis in the *Forcelux* case).

37. Applying those tests to the items in dispute, the Tribunal finds:

- a) In relation to the landscape maintenance costs, the invoices clearly show the sum was paid. The Applicant has obtained a quote for around £3000 which shows that the figures charged are not out of line with the market norm. The Tribunal does not accept, on the evidence before it, that the works have not been done to a reasonable standard having regard to the costs incurred and the obligations in the Lease. The photographs do not show neglect or suggest that works were not done. In all the circumstances therefore, the costs of £2912 for 2020 and £2959 for 2021 are deemed reasonably incurred.
- b) In relation to the internal communal cleaning, again the invoices clearly show the sums were paid. While it is incumbent upon the Landlord to prepare a realistic estimate, in order to allow the tenants to properly budget, the fact that the estimate is not correct does not amount to a bar to recovery. There is nothing to suggest these costs are out of line with market norms, and as such the costs of £2340 for 2020 and £2498 for 2021 are deemed reasonably incurred.
- c) The costs of window cleaning are no longer in dispute, and thus the costs of £192 for 2020 and £192 for 2021 are deemed reasonably incurred.
- d) With regard to the electricity costs, again it is noted that the budgeting is insufficient. However, that of itself does not make the costs unreasonable. In order for the costs to be reasonably incurred it is not necessary for the Landlord to use the cheapest provider. Indeed, placing a burden on the Landlord to constantly consider the pricing of services and be obliged to only use the cheapest would be an unreasonable burden on them. As such, the Tribunal accepts that obtaining supply from a reputable supplier such as British Gas is reasonable. The Applicant suggests that there is a mathematical error in the sums calculated by the Respondent. However, the Tribunal cannot follow this argument. It appears that the Applicant is criticising the Respondent for allowing a credit to appear on the electricity account (this is why in his Response document on p.298 of

the bundle he suggests the sum due on the invoice bill date 4/10/2021 for Flats 1-10 is £0, when in fact the bill shows a sum of £18.74). However, allowing a credit to appear benefits the Tenants, and is not prohibited by the Lease. For all those reasons, the sums of £558 for 2020 and £507 for 2021 are deemed reasonably incurred.

- e) With regard to repairs and renewals, the Tribunal does not accept the Applicant's argument that it would be more efficient and reasonable to claim on the insurance. The effect of such a claim would be to raise the premiums, which in turn would increase the costs to all tenants. No evidence is available as to what that increased premium would be, but it is clear and obvious that there would be a rise. The Landlord has provided invoices for the sums claimed and there is nothing to suggest these costs are out of line with market norms. One specific complaint is regarding the grit bin, which for installation and materials (including filling with grit) was £472.90. The Applicant has provided two alternative quotes; one of £251.99 and the second of around £230 with delivery. Of course, these quotes do not include the man hours of accepting delivery, unpacking and placing in situ, nor the cost of materials and filling the bin with materials. When those matters are factored in, while the costs may appear on the high side, the Tribunal does not consider them unreasonably incurred. On that basis, and on the evidence before us, the costs of £3338 for 2020 and £2357 for 2021 are deemed reasonably incurred.
- f) With regard to the 24/7 emergency service, as set out above the Tribunal accepts that it is within the Landlord's power under the Lease to charge for this. Looking at the Landlord's office copy entry for the freehold title, it seems there are 14 units on Jutland Court (perhaps for reasons of superstition there is no Flat 13). While the statement of case refers to the cost "equating to" £20 per unit, the invoice is clear that the amount charged is £420 per year. Thus, while the Tribunal accepts the Applicant's point that $14 \times £20 + \text{vat}$ would give a lower figure than that claimed, it appears that the error is with the mathematics of the author of the statement of case, rather than the invoice. In all the circumstances, the costs of £420 for 2020 and £420 for 2021 are deemed reasonably incurred.
- g) Since the health and safety figure is no longer in dispute, the costs of £684 for 2020 and £684 for 2021 are deemed reasonably incurred.
- h) The Applicant's complaint with the management fee is that he has not seen a breakdown of sufficient clarity to enable him to assess the figures in detail. However, this is an expert tribunal which has much experience of considering management fees for residential blocks this size with similar obligations on the service provider, where a figure of around 15% of the total cost of the services would not be unusual. Further, there is no evidence of alternative costs, or what an alternative property manager might charge. On that basis, while the costs seem a little high relative to the total cost of the services, the costs of £3776 for 2020 and £4002 for 2021 are deemed reasonably incurred.
- i) The Tribunal applies the same reasoning to bank charges, and thus the costs of £84 for 2020 and £84 for 2021 are deemed reasonably incurred.

- j) The only criticism levelled at the insurance costs is that the broker's advertising suggests it ought to be able to get a saving. In the absence of any alternative figure for insurance premiums, the Tribunal is not persuaded by that argument. As such, the costs of £3801 for 2020 and £4190 for 2021 are deemed reasonably incurred.
 - k) The account management fee is justified by the Landlord in one paragraph (52) of the statement of case. It appears to the Tribunal that all of the works set out in that paragraph ought properly to be included within the management fee. The invoices give no additional details, and it is noteworthy that they are produced by the same company that undertakes the management. Absent any specific explanation of why these are not covered in the management fee, the Tribunal considers these cannot be justified. Accordingly, the sums of £252 for 2020 and £252 for 2021 are disallowed.
 - l) With regard to the site inspection, the Tribunal is satisfied having regard to the block and the Lease, and the total cost of the inspection, that 2 site inspections per year are not unreasonable. As such, the sum of £240 for 2020 is reasonably incurred. The Respondent has accepted that £120 should be deducted from 2021, so the sum of £240 is held to be reasonably incurred for that year as well.
 - m) The Tribunal also considers an insurance valuation every 3 years is reasonable. There is no evidence that such a valuation could be undertaken for a lesser sum. For all those reasons, the sum of £700 for 2020 is deemed reasonably incurred.
 - n) The Applicant raises the point that it is unusual that light flick testing was not represented in the 2018 and 2019 service charge accounts. Of course, the Tribunal does not have access to those. What is clear is that there has been a renewed emphasis on fire safety in the past few years. Clearly the Landlord has undertaken those tests, and the invoice is provided. There is no evidence of alternative costs, and for those reasons the sum of £720 for 2021 is deemed reasonably incurred.
38. The Tribunal also wishes to set out that the argument that services were not provided, or could not be provided, due to the national lockdown and the pandemic is not a persuasive argument. The fact is that where contracts for services are entered into, the obligation to pay for those services does not cease simply because the national lockdown prevents the services being carried out. However, that does not appear to be the case here, and the evidence seems to be that all services were as a matter of fact carried out, and the Tribunal accepts that the services in this case were carried out.
39. Further, the Tribunal reminds the parties that the burden on the Landlord is not to obtain the services for the cheapest price possible. The burden is that the costs should be reasonably incurred. While increased transparency allows tenants to properly understand the sums they are being charged, and it is always acceptable for tenants to challenge the landlord to ensure they are getting value for money, in this particular

case the Tribunal consider in the main the service charges are reasonably incurred.

Section 20C, reimbursement of tribunal fees and costs

40. By his application notice, the Applicant did not invite the Tribunal to make an order under section 20C of the 1985 Act. The directions in this case specifically invited the Applicant to take legal advice on this point, and if he wished to make such an application, to include it within his written submissions.
41. There is no reference to it in his written submissions, and as such, no order is to be made. For the avoidance of doubt however, given the very limited reduction in the service charge ordered as a result of this litigation, it is unlikely the Tribunal would have made such an order even if it had been applied for.

Name: Judge Aaron Walder

Date: 29 November 2022

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 (extracts)

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.