

FIRST - TIER TRIBUNAL PROPERTY CHAMBER (RESIDENTIAL PROPERTY)

| Case Reference: | CHI/24UD/LSC/2021/0085 |
|----------------------------|--|
| Property: | 58 Tinning Way, Eastleigh SO50 9QH |
| Applicant: | Eyitope Akingbade Oyolola |
| Representative: | In Person |
| Respondent: | Trinity (Estates) Property Management Company Limited |
| Representative: | Mr W Beetson of counsel for J B Leitch Solicitors |
| Type of Application: | Section 27A and 20C of the Landlord and Tenant Act 1985 and Paragraph 5A of Schedule 11 Commonhold and Leasehold Reform Act 2002 (Liability to pay service charges) Tenant's application for the determination of reasonableness of service charges for the years 2020/2021 and 2021/2022 and future years. Schedule 11 Commonhold and Leasehold Reform Act 2002 (Liability to pay administration charges) Tenants Landlords application for the determination of reasonableness of service charges and administration charges for the years 2020/2021 and 2021/2022 and future years. |
| Tribunal Members: | Judge A Cresswell (Chairman) |
| | Mr K Ridgeway MRICS |
| Date and venue of Hearing: | 25 May 2022 by Video |
| Date of Decision: | 27 May 2022 |

DECISION

The Application

 This case arises out of the Applicant tenant's application, made on 13 September 2021, for the determination of liability to pay service charges for the years 2020/2021 and 2021/2022 and future years.

Summary Decision

- 2. The Tribunal has determined that the Applicant is required to pay a service charge for 2020/21 of £1540.43 (the estimated sum) plus £378.73 (balancing charge); plus for 2021/2022 a service charge of £1619.06 (the estimated sum). No other charges are due from him, save for any administration charge in the event of future non-timely payment and any balancing charge when the accounts are finalised for 2021/2022.
- 3. The Tribunal allows the Applicant's applications under Section 20c of the Landlord and Tenant Act 1985 and Paragraph 5A of Schedule 11 Commonhold and Leasehold Reform Act 2002, thus precluding the Respondent from recovering its cost in relation to the application by way of service charge or administration charge.

Establishment of the Issues

4. James Scicluna v Zippy Stitch Ltd & Ors (2018) CA (Civ Div):

Where the parties to Tribunal proceedings had agreed a list of issues, the matters to be determined in the substantive hearing and on any appeal were properly to be limited to those agreed issues.

Inspection and Description of Property

5. The Tribunal did not inspect the property. The property in question is said to consist of a 2-bedroom flat with ensuite shower room on the second floor of a 3-storey block of flats.

Directions

- 6. Directions were issued on various dates.
- 7. The Tribunal directed that the parties should submit specified documentation to the Tribunal for consideration.
- 8. This determination is made in the light of the documentation submitted in response to those directions and the evidence and submissions made at the hearing.

Evidence was given to the hearing by Mr Oyolola and by Carole Lawes, Regional Manager for the Respondent company. At the end of the hearing, the parties told the Tribunal that they had had an opportunity to say all that they wished and had nothing further to add.

9. The Tribunal has regard in how it has dealt with this case to its overriding objective: The Tribunal Procedure (First-tier Tribunal) (Property Chamber) Rules 2013 Rule 3(1) The overriding objective of these Rules is to enable the Tribunal to deal with cases fairly and justly.

(2) Dealing with a case fairly and justly includes:

(a) dealing with the case in ways which are proportionate to the importance of the case, the complexity of the issues, the anticipated costs and the resources of the parties and of the Tribunal;

(b) avoiding unnecessary formality and seeking flexibility in the proceedings;

(c) ensuring, so far as practicable, that the parties are able to participate fully in the proceedings;

- (d) using any special expertise of the Tribunal effectively; and
- (e) avoiding delay, so far as compatible with proper consideration of the issues.
- (3) The Tribunal must seek to give effect to the overriding objective when it:
- (a) exercises any power under these Rules; or
- (b) interprets any rule or practice direction.
- (4) Parties must:
- (a) help the Tribunal to further the overriding objective; and
- (b) co-operate with the Tribunal generally.

Ownership and Management

11. Adriatic Land 3 (GR1) Limited is the owner of the freehold. The property is managed for it by Home Ground. The respondent is the Management Company.

The Lease

- 12. The Applicant holds 58 Tinning Way under the terms of a lease dated 5 August 2014, which was made between Bellway Homes Limited as lessor and Trinity (Estates) Property Management Limited as Management Company and the Applicant as lessee.
- 13. The construction of a lease is a matter of law and imposes no evidential burden on either party: ((1) Redrow Regeneration (Barking) ltd (2) Barking Central Management Company (No2) ltd v (1) Ryan Edwards (2) Adewale Anibaba (3) Planimir Kostov Petkov (4) David Gill [2012] UKUT 373 (LC)).
- 14. When considering the wording of the lease, the Tribunal adopts the guidance given to it by the Supreme Court:

Arnold v Britton and others [2015] UKSC 36 Lord Neuberger:

15. When interpreting a written contract, the court is concerned to identify the intention of the parties by reference to "what a reasonable person having all the background knowledge which would have been available to the parties would have understood them to be using the language in the contract to mean", to guote Lord Hoffmann in Chartbrook Ltd v Persimmon Homes Ltd [2009] UKHL 38, [2009] 1 AC 1101, para 14. And it does so by focussing on the meaning of the relevant words, in this case clause 3(2) of each of the 25 leases, in their documentary, factual and commercial context. That meaning has to be assessed in the light of (i) the natural and ordinary meaning of the clause, (ii) any other relevant provisions of the lease, (iii) the overall purpose of the clause and the lease, (iv) the facts and circumstances known or assumed by the parties at the time that the document was executed, and (v) commercial common sense, but (vi) disregarding subjective evidence of any party's intentions. In this connection, see Prenn at pp 1384-1386 and Reardon Smith Line Ltd v Yngvar Hansen-Tangen (trading as HE Hansen-Tangen) [1976] 1 WLR 989, 995-997 per Lord Wilberforce, Bank of Credit and Commerce International SA (in liquidation) v Ali [2002] 1 AC 251, para 8, per Lord Bingham, and the survey of more recent authorities in Rainy Sky, per Lord Clarke at paras 21-30.

15. The lease envisages a service charge payment to the Respondent for an estimated budget followed by a balancing exercise at the end of the accounting year.

The Law

- 16. The relevant law is set out in sections 18, 19, 20C and 27A of Landlord and Tenant Act 1985 as amended by Housing Act 1996 and Commonhold and Leasehold Reform Act 2002 and Schedule 11 Paragraph 5A Commonhold and Leasehold Reform Act 2002.
- 17. The Tribunal has the power to decide about all aspects of liability to pay service charges and can interpret the lease where necessary to resolve disputes or uncertainties. Service charges are sums of money that are payable or would be payable by a tenant to a landlord for the costs of services, repairs, maintenance or insurance or the landlord's costs of management, under the terms of the lease (s18 Landlord and Tenant Act 1985 "the 1985 Act"). The Tribunal can decide by whom, to whom, how much and when service charge is payable. A service charge is only payable insofar as it is reasonably incurred, or the works to which it related are of a reasonable standard. The Tribunal therefore also determines the reasonableness of the charges.
- 18. The Tribunal has the power to decide about all aspects of liability to pay administration charges and can interpret the lease where necessary to resolve disputes or uncertainties. Administration charges are sums payable in addition to rent inter alia in respect of failure by a tenant to make a payment by the due date to the landlord. The Tribunal can decide by whom, to whom, how much and when an administration charge is payable. An administration charge is only payable insofar as it is reasonably incurred. The Tribunal therefore also determines the reasonableness of the charges.
- 19. Under Section 20C and Schedule 11 Paragraph 5A Commonhold and Leasehold Reform Act 2002, a tenant may apply for an order that all or any of the costs incurred in connection with the proceedings before a Tribunal are not to be regarded as relevant costs to be taken into account in determining the amount of any service charge or administrative charge payable by the tenant specified in the application.
- 20. In reaching its Decision, the Tribunal also takes into account the Third Edition of the RICS Service Charge Residential Management Code ("the Code") approved by the Secretary for State under section 87 of the Leasehold Reform Housing and Urban Development Act 1993. The Code contains a number of provisions relating to variable service charges and their collection. It gives advice and directions to all landlords and their managing agents of residential leasehold property as to their duties. In

accordance with the Approval of Code of Management Practice (Residential Management) (Service Charges) (England) Order 2009 Failure to comply with any provision of an approved code does not of itself render any person liable to any proceedings, but in any proceedings, the codes of practice shall be admissible as evidence and any provision that appears to be relevant to any question arising in the proceedings is taken into account.

- 21. In particular, paragraph 7.7 says: "All service charge demands should be clear, easily understandable, relate to available budget estimates or actual accounts and be served in accordance with the lease."
- 22. The relevant statute law is set out in the Annex below.

<u>The Issues</u>

The Applicant

- 23. The Applicant complains that after agreeing a Tomlin Order following his inability to pay a service charge, the Respondent made confusing demands for service charge payments and it and its solicitor refused to clarify what was required of him despite his making numerous requests of them to do so.
- 24. He wants clarity as to what sums are due from him by way of service charges. He was left with no alternative but to ask the Tribunal to decide what costs he should pay.

The Respondent

- 25. The Respondent essentially argued that it operated proper systems of accounting for the service charges.
- 26. The Applicant's case is very limited and lacks substance.
- 27. The Respondent has explained its systems properly to the Applicant.

The Tribunal

- 28. The Tribunal first of all records that this case could have been pleaded much more succinctly and have been more focused by both parties. Far too many pages were used and some were duplicated. It all made what were simple issues so much more complex and costly.
- 29. The Tribunal members found the demands made of the Applicant to be very confusing indeed.
- 30. Ms Lawes accepted in her witness statement that the method used for accounting could be confusing: *However, I can appreciate the Applicant's confusion in respect* of the recent interest demand issued which relates to interest agreed within the Tomlin Order" and "Further, the Respondent's system automatically sends out

demands when items are debited to the account and whilst the Respondent appreciates that this may cause some confusion on behalf of the Applicant, the Respondent refutes the suggestion that the Respondent has failed to inform the Applicant of the same."

- 31. Ms Lawes also accepted in oral evidence that she could see why the Applicant might be confused.: "*I accept that the way we have accounted has added to Mr Oyelola's confusion.*" This point was also conceded by Mr Beetson.
- 32. One main cause of the confusion was that the Respondent treated the items liquidated by the Tomlin agreement into a global sum of damages as separate items as if they were service charge demands, not making clear that they were actually a part of the global sum. When the Applicant made numerous attempts to gain clarity, he received very little assistance from the Respondent.
- 33. The Respondent also wrongly charged the Applicant for legal costs in the sum of £3,600. This only came to light after the Applicant had started these proceedings
- 34. It also said in the same witness statement both that interest had not been paid by the Applicant and that it had: "Paragraph 8 - it is accepted that the Applicant has paid all sums due under the Tomlin Order save for the interest of £103.74" and "The last demand to be served in respect of the Tomlin order is that for interest in the sum of £103.74 on 31 January 2022, exhibited to the Applicant witness statement dated 16 February 2022 at EAO 6. This is not an item of service charge levied against the Applicant, but as already detailed, was awarded to the Respondent by the Court within the Tomlin Order. Although we can appreciate there is a delay in including the same to the account. It is accepted that this demand has been paid as stated above."
- 35. The Tribunal asked Ms Lawes when the Tomlin Order sums had all been paid by the Applicant and she said that was in August 2021. She denied that there was an attempt by the Respondent to recover the interest in the sum of £103.74 in an invoice of 31 January 2022 as a service charge when the Applicant had already paid this money as part of his satisfaction of the Tomlin Order. She said that this was not as a service charge, but the Applicant could not be expected to know that, accompanied as the demand was by a Summary of a Tenant's Rights and Obligations specifically referring to service charges. She said that the sum was not due, but reflected when it had been accounted for in the accounts; that did not make any sense to the Tribunal because it

was very clearly a Payment Request stating a Total Amount Payable. No wonder the Applicant was confused.

- 36. To take but one further example (there are a number), a demand for solicitor's costs in the sum of £1,340 was said to be due on 30 June 2021. They were not due on that date or in that amount because they had been subsumed within the damages agreed within the Tomlin Order and the method of payment agreed in that order. This demand too was accompanied by a Summary of Tenants' Rights and Obligations and referred to Service Charges.
- 37. Separately, adding to the Applicant's confusion was the fact that 2 companies demand service charges from him, being the Respondent and Home Ground. No explanation was given to the Applicant as to the differing roles of these 2 companies until the hearing, when Ms Lawes clarified that Home Ground is the managing agent for the freeholder and collected insurance for the buildings (the Respondent collecting for insurance of the green spaces) and ground rent. Both companies demanded monies for insurance; how was the Applicant to be expected to know that there was not some duplication here without the explanation given by Ms Lawes at the hearing? Why didn't the Respondent give this clarification when the Applicant queried it, particularly when the Respondent had previously demanded ground rent and buildings insurance from the Applicant on behalf of the developer?
- 38. The RICS Code requires this of the Respondent: "All service charge demands should be clear, easily understandable, relate to available budget estimates or actual accounts and be served in accordance with the lease."
- 39. The Respondent has failed to comply with this requirement for the reasons detailed above.
- 40. The Respondent said that it could not have a separate account for the Tomlin order monies: "It should be noted that the Respondent is a large company who manages thousands of accounts, and it is not manageable to provide the level of clarification the Applicant is demanding, despite being provided all the relevant information as already pleaded and substantive effort in clarifying the account." All it needed to do was not to break down the global sum on the letters of account and to separate out the payments made against the global sum, detailing them separately from the service charge record. For a company charging £280.21 for its management fees in 2020/2021, that is the least it could be expected to do.

- 41. Ms Lawes told the Tribunal that the Applicant is required to pay a service charge for 2020/21 of £1540.43 (the estimated sum, a sum already determined by the Tribunal's earlier Decision of 29 April 2021) plus £378.73 (balancing charge); plus for 2021/2022 a service charge of £1619.06 (the estimated sum). No other charges are due from him, save for any administration charge in the event of future non-timely payment and any balancing charge when the accounts are finalised for 2021/2022. The Applicant agreed with these sums. Accordingly, the Tribunal orders that these are the sums due from the Applicant by way of service charge for the 2 years in question and no other sums are due from him in respect of those 2 years.
- 42. The Tribunal suggested to the Applicant that the accounts would be a little less confusing if he were to save his monthly £150 in a savings account and make full payment when invoices are received rather than his current habit of paying £150 monthly to the Respondent.

Costs

The Tribunal

- 43. The Tribunal advised both parties that it would not consider costs applications prior to making its Decision on this application.
- 44. Whilst reminding the parties that the Tribunal is generally a "no costs" jurisdiction, if either party still wishes to make a costs application, they should do so within 28 days of the sending of this Decision, sending the application both to the other party and to the Tribunal, and comply with the requirements of Rule 13. Should the other party wish to oppose such an application, they should send their written arguments to the applying party and to the Tribunal within 21 days of receiving the application. The Tribunal would thereafter consider the application on the papers.

Section 20c and Rule 13 Costs and Paragraph 5A Application

- 45. The Applicant has made applications under Section 20C Landlord and Tenant Act 1985 and Schedule 11 Paragraph 5A Commonhold and Leasehold Reform Act 2002 in respect of the Respondent's costs incurred in these proceedings.
- 46. The relevant law is detailed below:

Section 20C Landlord and Tenant Act 1985: 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 leasehold valuation tribunal,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.
- 47. The ... tribunal to which the application is made may make such order on the application as it considers just and equitable in the circumstances.

Commonhold and Leasehold Reform Act 2002 Schedule 11 Paragraph 5A Limitation of administration charges: costs of proceedings

- 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.

Proceedings to which costs relate

First-tier Tribunal proceedings

"The relevant court or tribunal"

The First-tier Tribunal

Section 20C

48. In considering an application under Section 20C, the Tribunal has a wide discretion, having regard to all relevant circumstances. It follows a similar course when

considering administration charges. "Its purpose is to give an opportunity to ensure fair treatment as between landlord and tenant, in circumstances where even although costs have been reasonably incurred by the landlord, it would be unjust that the tenant or some particular tenant should have to pay them." "In my judgement the only principle upon which the discretion should be exercised is to have regard to what is just and equitable in all the circumstances. The circumstances include the conduct and circumstances of all parties as well as the outcome of the proceedings in which they arise." (**Tenants of Langford Court v Doren Ltd** (LRX/37/2000).

49.

"An order under section 20C interferes with the parties' contractual rights and obligations, and for that reason ought not to be made lightly or as a matter of course, but only after considering the consequences of the order for all of those affected by it and all other relevant circumstances."

"The scope of the order which may be made under section 20C is constrained by the terms of the application seeking that order...;

"The FTT does not have jurisdiction to make an order in favour of any person who has neither made an application of their own under section 20C or been specified in an application made by someone else".

(SCMLLA (Freehold) Limited (2014) UKUT 0058 (LC)). "In any application under section 20C it seems to me to be essential to consider what will be the practical and financial consequences for all of those who will be affected by the order, and to bear those consequences in mind when deciding on the just and equitable order to make." (Conway v Jam Factory Freehold Limited (2013) UKUT 0592 (LC)).

- 50. The Applicant submitted that it had been necessary for him to apply to the Tribunal for a determination.
- 51. He said that the Respondent had acted unreasonably in this matter by its overall conduct of these proceedings, including failing to provide clarity and transparency in its invoicing to the Applicant despite several requests by the Applicant, refusing mediation until compelled to by the Tribunal, admitting overbilling the Applicant after the commencement of these proceedings, refusing to propose any settlement of the proceedings despite invitation from the Applicant and by its overall conduct of these proceedings in general.

- 52. The Respondent sent about 30 invoices for various amounts. He was in contact with them for about 2 months seeking clarity, but they refused to clarify matters. Then they refunded \pounds 3,600 after the application was made, which had been incorrectly charged.
- 53. Only at the hearing did the Respondent confirm what was actually due. Had they confirmed this previously, the application would not have been necessary.
- 54. He accepts that there was some lack of clarity in his own documentation, but this was due to a clerical error, which would have been known to the Respondent, as he made clear that he was not seeking to challenge the Tomlin Order.
- 55. Mr Beetson argued that it was necessary for the Respondent to defend the proceedings.
- 56. The Applicant, he says, had asked the Tribunal to make orders not within its jurisdiction. His claim had not been focused, but was general and he did not give the precision required of him by the Tribunal's directions. He said he accepted everything except for 4 items, but 3 of them were covered by the Tomlin Order; another item queried was due to the freeholder; other matters had been determined by a previous decision of the Tribunal.
- 57. Whilst accepting that some of the billing was less than clear, the proceedings had to be defended and there was nothing of substance in the Applicant's case. His case became smaller and clearer only after the passage of considerable time.
- 58. The Tribunal has weighed up the relevant factors here.
- 59. It notes that the Applicant was "repaid" £3,600 only after commencing proceedings, the Respondent admitting an error. Only at the hearing itself was there confirmation from Ms Lawes as to what was actually due from the Applicant as service charge payments.
- 60. The Tribunal has detailed above, but does not repeat here, the quite bizarre and incorrect accounting practices operated by the Respondent.
- 61. The Respondent did not provide clarity of key issues prior to the hearing.
- 62. The Tribunal's own reading of the correspondence between the Applicant and the Respondent and its solicitor reveals a person desperate for clarity of accounting but receiving no such clarity from them. He was fully justified in bringing and continuing his application. He could have been clearer and more focused and more concise, but then so could the Respondent have been.

- 63. Taking a rounded view, the Tribunal allows the application under Section 20C of the Landlord and Tenant Act 1985. It directs that the Respondent's costs in relation to this application are not to be regarded as relevant costs to be taken into account in determining the amount of the service charge for the current or any future year.
- 64. Whilst not relevant to its consideration of this issue, the Tribunal reflects that the involvement of a solicitor and, particularly, counsel in this matter was not warranted. Whilst there was a need to explore the facts, there were no legal issues of substance involved. The Tribunal could not see why the management company could not have presented the Respondent's case.

Paragraph 5A

65. The Tribunal takes notice of the guidance in Avon Ground Rents Ltd v Child[2018] UKUT 02014, Mr Justice Holgate:

Had the para. 5A jurisdiction been available to the Respondent in the litigation before the County Court and the FTT in the present case, it may well be that those bodies would have considered it "just and equitable" to reduce the Respondent's contractual liability to pay the legal costs that the Appellant had incurred in relation to that litigation to an amount which was proportionate to the sums in dispute, the issues involved and the level of representation appropriate to deal with those matters (and not simply by reference to whether costs had been incurred reasonably and were reasonable in amount). We recognise that this would have effected an alteration to the parties' contractual position, but that is the very purpose of the para. 5A jurisdiction.

In the present case there was no dispute before the FTT or before us that it was appropriate for the Appellant to incur the costs of legal representation. In other cases, this will primarily be a matter for the FTT (or a District Judge applying s.51 of the 1981 Act) to address. However, it should not be thought that we condone this practice. The procedure before the FTT is intended to be relatively informal and cost-effective. The legal principles for assessing the reasonableness of service charges are well-established and clear. In many cases there will be no issue about the relevant principles to be applied, and their application will not be so difficult as to make legal representation essential or even necessary. In such cases a representative from the landlord's managing agents should be able to deal with the issues involved. After all, those agents will have been directly involved in the decisions taken pursuant to the lease to provide services, to set annual budgets and estimated charges, to incur service charge costs and to serve demands for service charges. Where that is so, a court may reach the conclusion that it was unreasonable for the costs of legal representation to be incurred, whether in whole or in part. Under CPR 44.3 to 44.5 such a conclusion would be compatible with a clause in a lease providing for the recovery of costs on an indemnity basis.

66. For the same reasons the Tribunal allows the Applicant's application under Section 20C above, the Tribunal allows his application under Paragraph 5A, so that the costs incurred by the Respondent in connection with the proceedings before the Tribunal are not to be regarded as relevant costs to be taken into account in determining the amount of any administration charge payable by the Applicant in this or any other year.

RIGHTS OF APPEAL

- A person wishing to appeal this decision to the Upper Tribunal (Lands Chamber) must seek permission to do so by making written application by email to <u>rpsouthern@justice.gov.uk</u> to the First-tier Tribunal at the Regional office which has been dealing with the case.
- 2. The application must arrive at the Tribunal within 28 days after the Tribunal sends to the person making the application written reasons for the decision.
- 3. If the person wishing to appeal does not comply with the 28 day time limit, the person shall include with the application for permission to appeal a request for an extension of time and the reason for not complying with the 28 day time limit; the Tribunal will then decide whether to extend time or not to allow the application for permission to appeal to proceed.
- 4. The application for permission to appeal must identify the decision of the Tribunal to which it relates, state the grounds of appeal, and state the result the party making the application is seeking.

ANNEX

Landlord and Tenant Act 1985 as amended by Housing Act 1996 and Commonhold and Leasehold Reform Act 2002

18 Meaning of "service charge" and "relevant costs"

(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.

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 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.

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 the subject of determination by a court, or

(d) has been the subject of determination by an arbitral tribunal pursuant to a postdispute arbitration agreement.

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

(6) An agreement by the tenant of a dwelling (other than a post-dispute arbitration

agreement) is void in so far as it purports to provide for a determination— (a) in a particular manner, or

(b) on particular evidence,

of any question which may be the subject of an application under subsection (1) or (3).

(7) The jurisdiction conferred on a leasehold valuation tribunal in respect of any matter by virtue of this section is in addition to any jurisdiction of a court in respect of the matter.