FIRST - TIER TRIBUNAL
PROPERTY CHAMBER
(RESIDENTIAL PROPERTY)

Case Reference	**:**	**(1) CAM/00MC/LIS/2019/0014** **(2) CAM/00MC/LAM/2019/0003** **(3) CAM/00MC/LDC/2019/0022**
Property	**:**	**Royal Court, King's Road, Reading, Berkshire RG1 4AE**
Applicant	**:**	**Mr Manmeet Singh Hora (1)** **Mr David Livingstone (2)** **Mr Vvishal Tandon (3)** **Mr Jitendra Hadap (4)**
Representative	**:**	**Acting in person through Mr Hora and Mr Livingstone**
Respondent	**:**	**Mididol Limited**
Representative	**:**	**Miss K Helmore (Counsel) with Mr F Bizzari a director of the Respondent and Mr J Shannon of Chrisaliz Management Services Limited (Managing Agent)**
Type of Application	**:**	**1. In respect of LIS/2019/0014 a determination as to the reasonableness and pay ability of service charges.** **2. As to LAM/2019/0003 the appointment of a manager.** **3. As to LDC/2019/0022 application for dispensation of a consultation requirements.** **4. Application for an order under section 20C of the Landlord and Tenant Act 1985.**
Tribunal Members	**:**	**Tribunal Judge Dutton** **Mrs S Redmond BSc Econ MRICS** **Mr O N Miller BSc**
Date and venue of Hearing	**:**	**Holiday Inn, Basingstoke Road, Reading on 10th & 11th October 2019**
Date of Decision	**:**	**14th November 2019**

DECISION

DECISION

The Tribunal makes the determinations in respect of the four applications as set out separately below.

BACKGROUND

1. These four matters came before us on 10th and 11th October 2019 and relate to the property Royal Court, King's Road, Reading RG1 4AE (the Property). This is a four storey building split into two connected blocks and containing some 35 flats, two lifts, covered car parking at ground and one level below and a former self-contained commercial space, once a restaurant, but now apparently empty. There are four Applicants, Mr Hora, Mr Livingstone, Mr Tandon and Mr Hadap although the bulk of the representation has been undertaken by Mr Hora with support at the hearing from Mr Livingstone.

2. Prior to the hearing we did inspect the Property in the company of Mr Bizzari, Mr Shannon, Mr Hora, Mr Livingstone and Mr Tandon's brother. The Propetry is well known to the tribunal. It comprises two blocks, conjoined, with a lift serving each block, that at the time of our inspection were working. There was evidence of water ingress in the right hand block at top floor level and to the lobby of the left hand block. Mr Bizzari had with him a bucket containing stones, which he said had been removed from the roof and had been thrown there by people in a neighbouring block.

3. The blocks were reasonably clean, in so far as we were able to see. The car parking area, on two floors, is a very tight space and the upper level entrance door did not appear to be functioning. Externally the Property needs attention. The concrete to the open walkway parapets is spalling. The flower beds to the front are devoid of flora and in an unkempt condition. The Property needs some attention.

4. The Respondent, Mididol Limited, was represented by Miss Helmore and was accompanied by Mr Bizzari, a director and Mr Shannon the current Managing Agent.

5. We will deal briefly with the application under section 20C of the Landlord and Tenant Act 1985 (the Act) because this was never truly in dispute. The Respondents confirmed that they would not object to an order being made so that the costs of these proceedings were not recoverable against the lessees and we confirm that such an order will be made.

6. This left three applications for us to consider. The first was for a determination as to the reasonableness and payability of service charges over a number of years for the period September 2014 through to June of 2018.

7. The next application related to requests by the Respondents for dispensation under section 20ZA of the Act in respect of three items. The first was the undertaking of major lift repairs to the building in June 2016. The second was the employment of Chrisaliz Management Services Limited (Chrisaliz) as

managing agents of the building from June 2015 onwards. The third was the appointment of a Mr Aamir Ahmed as a porter/caretaker for the building through his company 2TeIsland Limited from 2014 onwards.

8. The final application related to the appointment of a manager under the provisions of section 24 of the Landlord and Tenant Act 1987 (the 1987 Act).

9. We propose to deal with each application separately but within the body of this decision and we shall start firstly with the application to determine the reasonableness and payability of the service charges.

10. Before the hearing we had been provided with an opening statement on behalf of Mididol Limited (the Respondents) where Miss Helmore had very helpfully condensed the items in dispute into some eight matters. Three of those related to porterage costs, management fees and lift maintenance for which there was also the application for dispensation. In addition to those items of expenditure, the Applicants also challenged water costs, the provision of fire extinguishers, certain electrical repairs, exterior maintenance roof repairs and costs in respect of balustrades.

11. Mr Hora on behalf of the Applicants confirmed that Miss Helmore had correctly presented those items which were in dispute following certain concessions having been made by the Respondent. These concessions were made in the service charge year 2017/18 and were shown at page 122 of the extensive bundles of papers of more than a thousand pages.

12. Insofar as page 222 is concerned it appears that concessions were made in respect of electricity costs where a concession of £1,000 was made and in respect of works to the front fire doors at the Property where the sum of £4,875 and £1,450 were conceded as being not recoverable.

13. Moving on to the specific items in dispute, we will deal firstly with the question of the water charges. The costs relating to porterage, management and lift maintenance will be combined with the consideration of the application under section 20ZA of the Act.

14. In respect of the water, we heard in the afternoon of the first day from Mr Tim Neale, a partner in Kirk Rice LLP Accounts from Fleet in Hampshire. He had provided a full analysis of the water charges for Royal Court and had reconciled final versions of invoices supplied by Thames Water to financial statements produced by the Respondents for the years in question. It appears from 2015 to 2018 Thames Water had invoiced on a quarterly basis but these fell into a somewhat confusing state and in 2018 were superseded confirming full usage of water from January 2015 to May 2018. This greater clarity enabled Mr Neale to satisfy himself that the charges made by Thames Water very closely aligned to the amounts shown in the financial statements as having been paid by the Respondent. He considered that any difference was predominantly due to an approximation made in the 2014 accounts.

15. Accounts had not been produced by Mr Neale's firm for 2015 and 2016 but there were some documents available, which had enabled him to be confident that the

total profit and loss charges were correct. The upshot of this was that Mr Neale was satisfied that the correct figure for water costs was as shown on his reconciliation statement. This showed total amounts paid to Thames Water in the period for which he had records of £50,633.56 which tied in very closely with actual final invoices issued by Thames Water for the period to 11th July 2019 of £50,433.78. He had calculated that for the service charge year to June 2019 the water costs were £8,7051.75.

16. By including this last sum in the accounts for this year and considering the earlier years where finalised accounts were available, the total sum in respect of monies recorded as having been paid to Thames Water was £51,167.56. He considered the difference from the sum of £50,633.56 referred to above, may well have been the balancing payments for 2014. This averaged out at an annual sum of £10,233.51, or under £300 for each flat for water charges. When these matters had been explained to the Applicants they confirmed with us that they no longer considered there was an issue in respect of the water charges. We are grateful to Mr Neale for giving up his time to attend and to explain the situation to the satisfaction of the Applicants.

17. The next matter we considered was the use of fire extinguishers. The Applicants' case appeared to be that the ARMA Code says that fire extinguishers are not necessary. The challenge was to the servicing of the fire extinguishers and the only evidence that was relied upon by the Applicants was the extract from the ARMA Code revised in June 2014. This assumed that if the design principles were in place so that there was a high degree of compartmentation between each flat, a low probability of fire spreading beyond its point of combustion and that there was a low risk in communal areas there was no need for fire extinguishers except in plant and service rooms.

18. After the luncheon adjournment the Applicants confirmed that they would not pursue a claim in connection with the costs associated with the servicing of the fire extinguishers but there was still a concern on their part as to the suitability of same and the question as to whether or not a tenant using them would be able to ascertain which fire extinguisher was suitable for which outbreak of fire. However, the service costs which formed this element of the dispute were no longer challenged.

19. The next item of dispute that we considered was the exterior maintenance roof repair costs. The issue here was that the Applicants felt that these repairs were not addressing the real problem of the roof, which they considered required far more extensive and intensive works. Mr Shannon on behalf of the Respondent told us that they had arranged for a surveyor to attend to inspect who had raised various issues, one of which appeared to be somewhat strangely an allegation that neighbours in the adjacent tower block, although some distance away, had been throwing stones and that this had somehow damaged the roof.

20. In the bundle of papers before us was a report from Ullsworth Roofing Company that had been emailed to the Applicants. This set out a number of options in respect of repairs. It did flag up, however, that a number of pipe repairs and patches of various sizes had been applied in an incompatible material which had apparently contaminated the existing roof covering, which is Sarnafil. The email

went on to set out some patch repair works that could be undertaken or a complete resurfacing, which could cost somewhere between £50,000 and £60,000. The sums involved for the maintenance roof repairs were in the year ending June 2017 £660 and in the year ending June 2018 £1,092. Invoices to support these sums were included within the papers before us.

21. The final matter that we will deal with under this heading, rather than combined under the dispensation and reasonableness point, are the balustrades. This matter was considered by this Tribunal in January 2018 under case CAM/OOMC/LSC/2017/0092. At that time the contractor, Purdy Gates had invoiced the Respondents in the sum of £6,650 plus VAT for the balustrades works. No objections in those earlier proceedings were raised to the section 20 consultation process and indeed it seemed that only £1,332 of the total invoice remained payable. That Tribunal concluded that the sums were due and owing. It seems to us, therefore, the decision has already been made on this case. The new point the Applicants sought to raise was that the balustrade was not in their view in accordance with the specification that had been given to the contractors by Chrisaliz. The balustrade did not match the lower balustrade, which was left in situ after the removal of items by the previous managing agents. It is accepted that the balustrade required to be reinstated as a result of insurance concerns. The upper balustrade does not match the lower one but it is not offensive to the eye and certainly the more so perhaps if the somewhat bright blue colour were changed to match the colour below. The real issue here was the poor management that the Applicant said was evidenced by Chrisaliz in allowing the upper balustrade to be installed when it did not match the lower one.

S27A AND S20ZA APPLICATIONS

22. We turn then to consider the payablity, the reasonableness and the consultation process in connection with the porterage costs, management fees and the lift works.

23. On the question of the porterage we were told by Mr Bizzari for the Respondents that all the occupiers knew of the porter's identity and that it was Mr Shannon who had the day to day control of the works that he undertook. Apparently he checked the water and fire alarm systems, carried out some cleaning and other works of a small nature as and when required. He had also dealt with, and it seems to a large extent had solved, the problems of homeless people frequenting the Property. Mr Ahmed is employed by his own company 2TeIsland Limited and makes a monthly charge of £520. For the years in question there was a charge of £4,500 to June 2015, £6,200 to June 2016 and £6,240 for the years ending June 2017 and 2018. The Applicants proposed a figure of £3,500 for each year.

24. Mr Shannon speaking for Mr Ahmed said that he considered him to be competent and that he had dealt very professionally with problems they had had with homeless people and substance abuse. It seemed that he carried out cleaning works and some odd job maintenance provisions. It appears that he had been the porter at the Property from 2004 to 2009 until the time that an RTM company had been created but which had subsequently gone into liquidation. Mr Bizzari confirmed that Mr Ahmed carried out no work for him personally whilst

he was undertaking tasks on behalf of the Applicants. Mr Hora accepted that Mr Bizzari could terminate Mr Ahmed's involvement at any time. There was no contract.

25. The other challenge in respect of dispensation related to the employment of Chrisaliz. The management fees for the year ending June 2016 had been £8,682, for the following year £3,985 and for the year ending June 2018 £4,702. For each year in question the Applicants had proposed a figure of £3,500. Again as with Mr Ahmed, there was the question as to whether or not a qualifying long term agreement had been created. There was a draft contract within the papers that appeared to indicate a time span of 24 months but this had not been signed by any party and Mr Bizzari said that it had not been entered into. Mr Shannon confirmed this. In the submissions made by Miss Helmore, she asked us to considered the cases of *Corvan (Properties) Limited v Abdel-Mahmoud* and *Brackenhill Court v Dobson*. It was her submission that the arrangements between the Applicants and the Porter and Chrisaliz were not qualifying long term agreements as they were not for a minimum period of commitment of more than 12 months. Indeed in respect of the employment of Mr Ahmed, Mr Hora accepted that Mr Bizzari had the right to terminate the employment at any point in time. Whilst the Applicants thought there had been prejudice, they could produce no evidence of same, and the complaint was as much in respect of the standard of work undertaken by Mr Ahmed than whether there had been a failure to consult in accordance with s20 of the Act. He was of the view that a separate cleaner, handyman and other professional should be employed to deal appropriately with the Property. The proposed figure for the Applicants would provide an annual charge of £100 per flat.

26. The Applicants had undertaken some research into the costs of managing agents in the Reading area. It was not wholly clear where the data had come from but Mr Hora suggested that there were three tiers of management giving rise to charges of up to £300 per unit. The lowest tier had charges of between £100 and £150. If that were applied in this case the maximum charge would be around £5,250.

27. Mr Shannon told us that his main business was as a quantity surveyor although not fully qualified. He had no qualifications to be a managing agent. His daughter who was running the business with him appeared to be qualified in respect of events management. He knew Mr Bizzarri's family and had been managing another property in London of only some seven flats for a number of years. Mr Shannon told us that he wished to no longer manage the Property and that he spent perhaps 1600 to 1700 hours a year dealing with this and although he had sought to recover costs on payment by an hourly rate that did not happen. He also explained that the management costs were much higher in 2016 as that is when he had taken over from the RTM company and a good deal of work was required.

28. Mr Hora said that the Applicants would pay for a good service but was concerned that a number of problems from which the Property suffered were as a result of mismanagement. Mr Livingstone remarked that the management fees would be acceptable if they received a decent level of service.

29. The final item that required consideration both as a service charge and for dispensation was the question of lift maintenance. The only issue here appears to be that there may have been damage caused by others, which was not the responsibility of the tenants. Our attention was drawn to an email dated 4th August 2015 from a Mr Steve Leeming of Otis Elevators. He confirmed that they had attended site, that there were problems and that it was necessary to carry out works to replace certain belts. He commented that in the past someone had tried to tension the belt by wedging the head of a paintbrush between the motor and the bracket. It was this indication of involvement by another that gave rise to the claim by the Applicants. There appeared to be no dispute as to the sums of money spent in connection with the lift repair which was £17,424 in the year ending June 2016 made up of a number of invoices, the main one being the major works of £11,880. However, it appears that after discussions the Applicants accepted that these works were appropriate and were no longer in dispute. We did not, therefore, need to make any further findings in connection with that element.

FINDINGS IN RESPECT OF S27A AND S20ZA APPLICATIONS

30. We will deal at this point in the decision with the section 27A and the section 20ZA applications in relation to the service charge costs. We will deal firstly with the three items that required both the consideration of the reasonableness and playability and whether or not dispensation should be granted. They were the porterage, management and lift expenditure. As we have indicated above, in respect of the lift expenditure, that ceased to be an item in dispute and accordingly we find the sums that were claimed in the various accounts to be reasonable and payable.

31. In respect of the porterage, the person in question, Mr Ahmed, is in effect employed by his own company and carries out the role at the rate of approximately £520 per month. These vary slightly and we have indicated above what the costs were for the years June 2015 to 2018. The Applicants have proposed a figure of £3,500. That would be only £100 per flat per annum. It seems that there are no other cleaning costs and therefore the porter must undertake cleaning responsibilities and certainly at the time of our inspection there did not appear to be any particular issue with regard thereto. There was no obvious problem associated with homeless people nor substance abuse. If this was a matter that had been a problem in the past, and it was not denied as being so by the Applicants, it appeared now to be under control. We take the view that this is not a qualifying long term agreement. Mr Hora accepted that Mr Bizzari could terminate the employment of Mr Ahmed whenever he considered it appropriate and in those circumstances we reject any suggestion that this was a matter that required dispensation under the Act. We concentrate, therefore, on whether or not it is reasonable and payable and come to the conclusion, having heard all that was said and considering the role he fulfils, on the evidence before us that the sums claimed for each year were reasonable in amount and are payable.

32. We then turn to the question of the management fees. The proposals made by the Applicants for the years ending 2017 and 2018 are not far away from the

sums actually sought. In the year 2016 it was said that the managing agents had more involvement and that gave rise to a cost per unit of £248. For the later years in 2017 it was £113.85 and for 2018 £134.34. We accept that this is not an easy building to manage. It requires some attention. We were concerned, however, to hear that Mr Shannon has no qualification as a managing agent and that his daughter is perhaps more used to events management than she is for dealing with bricks and mortar. Nonetheless, it is clear that works have been undertaken by Chrisaliz although under their watch there does appear to have been something of a deterioration in the fabric of the building. This has been contributed to by the lack of funds made available by the residents to meet these items of expenditure. Equally, however, there has been some inertia on the part of both the Respondents and the managing agents to seek to recover monies to enable these works to be undertaken. Doing the best we can, therefore, we conclude that for the year ending June 2017 the sum claimed of £3,985 is reasonable and payable and that for the year ending June 2018 the sum of £4,702 is also reasonable and payable.

33. For the earlier year ending June 2016 where £8,682 is sought, we feel that that is excessive. The RICS management provisions do not provide for charges to be made on a percentage basis but as a fixed amount. We accept that there may have been additional work in this first year and would therefore allow a charge of £150 per unit which gives a figure of £5,250. We were told that no VAT was chargeable.

34. In respect of the service charges for which there is no dispensation element we start with the water costs and record that it has already been agreed that these are payable. The assistance of Mr Neale was much appreciated by all.

35. In respect of the health and safety fire extinguisher service costs, again these have been agreed as being payable, which we think is a sensible approach by the Applicants. In relation to the electrical works, further evidence of a pragmatic approach on the part of the Applicants was reflected in their willingness to accept that the electrical repairs for the year ending June 2015 in the sum of £6,770 were reasonable and were payable.

36. The exterior maintenance, which were roof repairs, were really quite limited at £660 for the year ending June 2017 and £1,092 for the following year. Whilst we accept that these repairs may not have been perfect, there is little doubt that they were needed to be undertaken to try and ensure that the roof remained at least in part, waterproof. At the time of our inspection, there was evidence of water ingress on the right hand block at the top floor level. It is clear, and it is we believe accepted by all parties, that the roof needs urgent and extensive works. These works were merely to delay the inevitable but we are satisfied that they are reasonable and payable.

37. We have already recorded the fact that the lift maintenance is no longer in dispute and it leaves therefore the question of the balustrade. As we indicated above, a decision has already been made on these matters and we do not think that we can reopen it. We appreciate that there has been some suggestion that the original section 20 documentation changed but these are matters that could and should have been dealt with at the time the matter came before us under the

application in 2017. There is no evidence, as was suggested by Mr Hora, that the replacement balustrade had a deleterious effect on the resale of the flats. It is not so obvious as to have that impact. More obvious in fact was that the concrete underneath the walkway is in need of attention. In those circumstances, therefore, we conclude that there is no jurisdiction for us to consider the question of the balustrade costs as those have been dealt with previously. We should also make the point that the contractor who carried out the works, Purdy Gates, had been nominated by one of the Applicants. Further, these works were required by the insurance company and as far as we understand it are acceptable to them.

APPOINTMENT OF A MANAGER UNDER S24 LANDLORD AND TENANT ACT 1987

38. That then leads us on to the appointment of a manager under section 24 of the 1987 Act. We think we can take this quite shortly. The Applicants had originally sought the appointment of Mr Andrew Strong from Atlantis Estates. However, as a result of family issues he was not able to come to the hearing and in his stead Wendy Lamb, Head of New Business at Atlantis Estates represented the company and confirmed that she herself would be prepared to take on the appointment as a Tribunal manager. She had provided some details of her experience and set out in brief terms a management order. We heard from her on the second day of the hearing and found her an honest and straightforward witness but were concerned that she had been placed in the position of putting herself forward as a manager without truly considering the implications. Her present role was to oversee the business in general terms and to provide mentoring services for property managers. She also had the role of bringing in new contacts and confirmed that she had in fact been the property manager for the subject premises for a short period of time whilst it was being under control of the RTM company.

39. The Respondent at the last minute decided to put forward their own recommendation as a manager. This was Mr Andrew Copley of Chaneys Chartered Surveyors and Property Managers from Caversham in Reading. The immediate question one has to ask is whether or not the Respondent can in fact make such an application as section 24 is directed towards tenants. However, it was pointed out to us that Mr Bizzari is the tenant of a number of flats within the Property and accordingly would be an appropriate person for making an application for the appointment of a manager. We heard from Mr Copley and we can cut this element short by confirming that at the end of his evidence both Mr Livingstone and Mr Hora on behalf of the Applicants confirmed they were happy with the role of Tribunal appointed property manager being vested in Mr Copley. It was considered that a tribunal appointment would ensure independence.

40. As a matter of comment from our point of view, we would say that we were impressed with Mr Copley and are satisfied that he will be able to undertake the role of a Tribunal appointed manager. He had asked that such an appointment should be for a period of five years. Ordinarily we would conclude that an appointment of three years should be sufficient. However, this Property is in need of extensive refurbishment and to enable that to be fully undertaken we are satisfied that an appointment for five years is reasonable in the circumstances. We have prepared a management plan which has been approved by Mr Copley

and accordingly we appoint Mr Copley as the Tribunal's appointed manager of the Property on the terms of the order which is annexed hereto.

41. One point we would make is that we believe the Respondents should be paying the insurance contribution attributable to the commercial premises which was once a restaurant. Mr Copley will need to make sure, therefore, that the insurance for the building differentiates between the residential element and the commercial element and the Respondents should be responsible solely for that commercial part.

42. We would like to take this opportunity of thanking both sides for dealing with the matter at the hearing on a pragmatic and sensible basis and reducing the items in issue quite considerably. We have not made specific reference to the 1,000 plus documents that were produced to us, save and except where it was necessary. We have read the statements by the parties and have considered those in reaching our decision but, as we have indicated above, a good deal was compromised.

COSTS AND FEES

43. The only other matters we need to deal with are the question of costs. As there was no objection to the section 20C application, we formally make an order under section 20C that the costs of these proceedings are not recoverable as a service charge against the Applicants. Furthermore, we order a refund of £300 being the application fee for the section 27A application and the hearing fee. We think that so far as the fee payable in connection with the appointment of manager application is concerned, as that has resulted in the Respondent's nominee being appointed it would be unreasonable for there to be an order of reimbursement in relation thereto.

44. Some mention was made at the possibility of costs being sought under the provisions of Rule 13 of the Tribunal Procedure (First Tier Tribunal) (Property Chamber) Rules 2013. We make no finding in that regard. If the Applicants feel that it is a step that they would wish to take, they will need to make application within 28 days of the decision being issued. Before they do so, however, they should consider the Upper Tribunal Court case of Willow Court Management v Alexander which sets out the three steps required to be considered by the Tribunal as to whether or not there has been unreasonable behaviour in the conduct of the proceedings (we have underlined that wording for emphasis) by a party.

Judge: A A Dutton

Date: 14th November 2019

ANNEX – RIGHTS OF APPEAL

1. If a party wishes to appeal this decision to the Upper Tribunal (Lands Chamber) then a written application for permission must be made to the First-Tier at the Regional Office which has been dealing with the case.
2. The application for permission to appeal must arrive at the Regional Office within 28 days after the Tribunal sends written reasons for the decision to the person making the application.
3. If the application is not made within the 28-day time limit, such application must include a request to an extension of time and the reason for not complying with the 28-day time limit; the Tribunal will then look at such reason(s) and decide whether to allow the application for permission to appeal to proceed despite not being within the time limit.
4. The application for permission to appeal must identify the decision of the Tribunal to which it relates (ie give the date, the property and the case number), state the grounds of appeal and state the result the party making the application is seeking.

Appendix of relevant legislation

Landlord and Tenant Act 1985

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 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 post-dispute arbitration agreement.

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

Section 20

(1) Where this section applies to any qualifying works or qualifying long term agreement, the relevant contributions of tenants are limited in accordance with subsection (6) or (7) (or both) unless the consultation requirements have been either—
   (a) complied with in relation to the works or agreement, or
   (b) dispensed with in relation to the works or agreement by (or on appeal from) a leasehold valuation tribunal.

(2) In this section "relevant contribution", in relation to a tenant and any works or agreement, is the amount which he may be required under the terms of his lease to contribute (by the payment of service charges) to relevant costs incurred on carrying out the works or under the agreement.

(3) This section applies to qualifying works if relevant costs incurred on carrying out the works exceed an appropriate amount.

(4) The Secretary of State may by regulations provide that this section applies to a qualifying long term agreement—
  (a) if relevant costs incurred under the agreement exceed an appropriate amount, or
  (b) if relevant costs incurred under the agreement during a period prescribed by the regulations exceed an appropriate amount.

(5) An appropriate amount is an amount set by regulations made by the Secretary of State; and the regulations may make provision for either or both of the following to be an appropriate amount—
  (a) an amount prescribed by, or determined in accordance with, the regulations, and
  (b) an amount which results in the relevant contribution of any one or more tenants being an amount prescribed by, or determined in accordance with, the regulations.

(6) Where an appropriate amount is set by virtue of paragraph (a) of subsection (5), the amount of the relevant costs incurred on carrying out the works or under the agreement which may be taken into account in determining the relevant contributions of tenants is limited to the appropriate amount.

(7) Where an appropriate amount is set by virtue of paragraph (b) of that subsection, the amount of the relevant contribution of the tenant, or each of the tenants, whose relevant contribution would otherwise exceed the amount prescribed by, or determined in accordance with, the regulations is limited to the amount so prescribed or determined.

Section 20C

(1) A tenant may make an application for an order that all or any of the costs incurred, or to be incurred, by the landlord in connection with proceedings before a court, residential property tribunal or the Upper Tribunal, or in connection with arbitration proceedings, are not to be regarded as relevant costs to be taken into account in determining the amount of any service charge payable by the tenant or any other person or persons specified in the application.

(2) The application shall be made—
  (a) in the case of court proceedings, to the court before which the proceedings are taking place or, if the application is made after the proceedings are concluded, to a county court;

(aa) in the case of proceedings before a residential property tribunal, to that tribunal;
(b) in the case of proceedings before a residential property tribunal, to the tribunal before which the proceedings are taking place or, if the application is made after the proceedings are concluded, to any residential property tribunal;
(c) in the case of proceedings before the Upper Tribunal, to the tribunal;
(d) in the case of arbitration proceedings, to the arbitral tribunal or, if the application is made after the proceedings are concluded, to a county court.

(3) The court or tribunal to which the application is made may make such order on the application as it considers just and equitable in the circumstances.