



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

<b>Case reference</b>	<b>:</b>	<b>LON/00BK/LSC/2023/0071</b>
<b>Property</b>	<b>:</b>	<b>Flat 68 St John's Wood Court London NW8 8QS</b>
<b>Applicant</b>	<b>:</b>	<b>Mr Majid Fereidooni</b>
<b>Representative</b>	<b>:</b>	<b>n/a</b>
<b>Respondents</b>	<b>:</b>	<b>St John's Wood Court Limited</b>
<b>Representative</b>	<b>:</b>	<b>Mr Miller</b>
<b>Type of application</b>	<b>:</b>	<b>Determination of the reasonableness and payability of service charges pursuant to S27A Landlord &amp; Tenant Act 1985</b>
<b>Tribunal members</b>	<b>:</b>	<b>Judge N O'Brien Mr R Waterhouse FRICS</b>
<b>Date and venue of Hearing</b>	<b>:</b>	<b>11 December 2023 10 Alfred Place, London WC1E 7LR</b>
<b>Date of Decision</b>	<b>:</b>	<b>2 January 2024</b>

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**DECISION**

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**Decisions of the Tribunal**

- (i) The Tribunal determines that the service charges sought in respect of staff wages of **£132,873** in respect of the block for the year ending April 2022 are payable and reasonable.
- (ii) The Tribunal determines that the service charges sought in respect of the cost of the staff flat for the year 2022 in the sum of **£21,995** are payable and reasonable.

- (iii) The Tribunal determines that the service charges sought in respect of the replacement of the fire alarm for the block in 2021 in the sum of **£102,111** are payable and reasonable.
- (iv) The Tribunal determines that the service charges sought in respect of the replacement of the fire doors in the common parts of the block in 2022 in the sum of **£145,700** are payable and reasonable.
- (v) The Tribunal does not make a s.20C Order to restrict the charges payable by the Applicant arising from this application.
- (vi) The Tribunal does not make an order pursuant to Paragraph 5A of Schedule 11 to the Commonhold and Leasehold Reform Act 2002.
- (vii) The Respondent's application for costs pursuant to Rule 13 is dismissed.

## **1. The Application**

1.1 The Applicant sought a determination pursuant to s.27A of the Landlord & Tenant Act 1985 ('the 1985 Act') and Schedule 11 to the Commonhold & Leasehold Reform Act 2002 ('the 2002 Act'), as to the amount payable as a service charge for years 2021-2023.

1.2 The Applicant made an application to the Tribunal dated 23<sup>rd</sup> February 2023. It appeared from that application that the Applicant was seeking a determination of his liability to contribute to the reserve fund for the years 2020 to 2023. The total sum being challenged according to the Applicant's Notice was £10,363.47. Directions were subsequently issued on 10 March 2023, and these identified the following issues to be determined:

- Service charges for the years 2020, 2021,2022 and 2023 in the total sum of £10,363.47
- Whether the works are within the landlord's obligations and whether the cost of works are payable under the terms of the Applicants lease
- Whether the costs of the works were reasonable in particular with regard to the nature of the works and the contract price
- Whether the reserve fund is payable
- Whether an order under s.20C of the 1985 Act and/or paragraph 5A of Schedule 11 to the 2005 Act should be made.
- Whether an order for the reimbursement of the application and/or hearing fees should be made.

1.3 Those directions included a standard direction requiring the Applicant to supply to the landlord by 12 May 2023 a schedule in the form attached to the directions to be completed by the tenant setting out in the relevant column, by reference to each service charge year;

- The amount in dispute
- The reason(s) why the amount is disputed
- The amount, if any, the tenant would pay for that item

1.4 Pursuant to those directions on 30<sup>th</sup> May 2023 the Applicant served the Scott schedule which is included in the Applicant's bundle at page 45 and in the Respondent's bundle at page 78. The items challenged in this Scott schedule are completely different to the items challenged in the Application Notice. The Applicant did not challenge his obligation to contribute towards a reserve fund as such, but took issue with 8 specific items of expenditure which it is common ground were charged in relation to the entire building. The value of the items challenged in that Scott schedule is in excess of £1,200,000. The Scott schedule repeats that the years in question are 2020 to 2023 but it has transpired that 2 of the items included on that Scott schedule; electrical works and renovations to the front elevation, relate to costs incurred in 2018 and 2017 respectively.

1.5 On 5<sup>th</sup> June 2023 the Respondent applied for an order that the Applicant's case be struck out, or in the alternative that his Scott schedule served on 20 May 2023 stand as his statement of case.

1.6 The Applicant responded by letter dated 7 July 2023 indicating that he did not object to his Scott schedule standing as his statement of case and by letter dated 9 June 2023 sent to the parties, the Tribunal directed that the Scott Schedule would stand as the Applicant's statement of case.

## **2. The Hearing**

2.1 A hearing was held on 11 December 2023. The Applicant attended the hearing and was assisted by a Mr Shahin Shojai in presenting his case.

2.2 The Respondents were represented by Mr Miller of counsel. The Respondent's witness Miss Fletcher also attended. Miss Fletcher is an employee of Faraday Property Management Ltd (Faraday), the managing agents engaged by the Respondent to manage St John's Wood Court on its behalf. She has overseen the management of the block since 2020 and her witness statement is in the Respondent's bundle at page 231.

## **3. The Property**

3.1 Neither the Applicant nor the Respondent supplied the Tribunal with a great deal of evidence regarding the property or the block in which it is situated prior to the hearing. In the course of the hearing the following information was provided to the Tribunal and was broadly agreed between the parties; the subject property comprises a 2-bedroom flat in a substantial purpose-built block consisting of 91 separate flats, plus a staff flat. In total the Respondent employs 4 full-time members of uniformed staff for the block, one of whom, the building manager, has the benefit of a flat for the occupation of himself and his family. His flat was originally a one-bedroom property but at some point in the past it was reconfigured as 2-bedroom accommodation. The block is situated in an affluent area of central London and overlooks Lords Cricket Ground.

3.2 Additionally, the Applicant told the Tribunal that originally there were 2 resident members of staff and 2 non-resident. At some point this was changed to 1 resident member of staff and 3 non-resident.

#### **4. Preliminary matters**

4.1 Prior to the start of the hearing the Tribunal asked the parties to review matters in dispute. It was apparent that 5 of the 8 items that the applicant sought to challenge in his Scott schedule related to the year ending April 2022 and came from the Service Charge Account for the year 2022, which is included at page 326 of the Respondent's bundle. One further item, the replacement of the fire alarm, came from the accounts for the year ending April 2021 (page 318 of the Respondent's bundle) Two items related to expenditure incurred before 2020 as set out in paragraph 1.4 above. One item on the Scott schedule, the costs of renovations to the rear elevation, referred to costs incurred in 2020.

4.2 It is apparent from the document included in the Applicant's bundle and entitled 'Letter for the attention of the Court in support of Case' that the Applicant's reasons for dissatisfaction with the management of St John's Wood Court are wide ranging and go far beyond matters which the Tribunal can consider in an application brought under s.27A of the Housing Act 1985. At no stage prior to the hearing did the Applicant put forward alternative quotes for any of the items he sought to challenge in his Scott schedule, or even inform the Tribunal how much he would be willing to pay in respect of the disputed items. His primary complaint in respect of nearly all of them is that they 'seemed high' or 'steep'.

4.3 It is apparent from the abovementioned letter that he was in particular concerned about the leaseholder consultations that took place pursuant to s.20 of the Housing Act 1985 in relation to the works to the front and rear elevations, and the works to the fire doors and fire alarm. He was in particular concerned that the managing agents had obtained quotes from various companies that were not substantial or well-known construction companies, in his words 'man and dog outfits'. He based this assessment on accounts those companies have filed at Companies

House. He pointed in particular to the difference between the quote for the cost of fireproofing works to the leaseholder's own front doors obtained by the management company, and the quote he had obtained directly from a different company for the same works, which was about 50% cheaper. It is common ground that the costs of fireproofing works to the leaseholders' front doors was borne by the leaseholders themselves and were not chargeable to them as service charges. However the Applicant points out that the company which provided the high quotation for the leaseholder front doors is the same company that Faraday engaged to carry out the works to replace the fire alarm and to fireproof the doors to the communal areas. Those costs were recoverable from the leaseholders by way of a service charge and are being challenged by the Applicant in his Scott Schedule.

4.4 It is apparent that the Applicant considers that he has grounds for suspicion that the s.20 consultations carried out by Faraday in respect of the external renovation works and the fireproofing were not carried out in good faith. It was common ground that the Applicant did not supply alternative quotes or suggest alternative contractors, or even take the opportunity to comment on the proposed works in the course of either s.20 consultation process.

4.5 The Applicant informed the Tribunal that he was unhappy in general terms with a historic reluctance on the part of Faraday to provide information when requested. He said he had selected the 8 items on his Scott schedule, not because he was more particularly concerned about them, but because they were the largest items he could find in the accounts and documents disclosed by the Respondent for the relevant years. Mr Shojai stated on behalf of the Applicant that the Applicant believed that he was limited to challenging 8 items of expenditure because the blank form of schedule supplied by the Tribunal with its directions only has 8 rows. If this was the Applicant's belief it was entirely erroneous. The blank schedule which the Tribunal sends out to parties when it gives directions in applications under s27A is an open editable document, and there is nothing in it or in the directions themselves which indicates the number of items which can be challenged in an application is limited by the number of rows on the blank Scott schedule.

4.6 At the request of the Tribunal the parties left the hearing room to consider which particular items remained in dispute in the light of the voluminous disclosure provided by the Respondent. It appears that the Respondent included with its initial disclosure every invoice for all costs incurred in respect of the whole block in its possession covering the period 2020 to 2023. Unfortunately no effort had been made by the Respondent prior to the hearing to identify the specific invoices which supported the service charges now disputed in the Applicant's Scott schedule. The Respondent was invited to direct the Applicant's attention to the specific documents in its disclosure which supported the challenged service charges. The Applicant was invited to then consider which items on his Scott schedule he still wished to challenge.

4.7 Following those preliminary discussions, the Applicant agreed that only 4 matters remained in dispute and asked that the Tribunal determine:

- (1) Staff costs for the year 2022. The sum incurred in relation to the whole block was £132,837. The Applicant submitted that this was too high and that the sum of £110,000 would have been reasonable.
- (2) The cost of the staff flat for the year 2022. The costs claimed from the leaseholders was £21,955. The Applicant considered that the sum of £18,000 to £19,000 would have been reasonable.
- (3) The cost of replacing the building's fire alarm in 2021. The cost claimed from the leaseholders was £102,111. The Applicant considered that a sum of £60,000 would have been reasonable.
- (4) The cost of fireproofing the doors in the communal areas in 2022. The sum of £145,700 had been charged to the leaseholders. The applicant considered that the sum of £70,000 to £80,000 would have been reasonable.

4.8 The first time that the Applicant attempted to carry out his own estimate of what a reasonable charge for each disputed item would have been was on the morning of the hearing. It does not appear to have occurred to him that if he was not challenging the recoverability of the specific items on his schedule, he would have to put forward alternative figures and to at least try to supply some evidence in support of his alternative figures.

4.9 The Tribunal considers that in reality what Mr Feridooni wanted the Tribunal to do was to conduct its own investigation into whether the charges for each item on his Scott Schedule were reasonable before he paid any service charges at all for the years 2020 to 2023. This is not the function of the Tribunal. The Tribunal can make use of its own expertise, in particular for smaller everyday items of expenditure such as cleaning or gardening, where it would be impractical for the parties to produce competitive quotes. However, particularly for larger items, or items that are fact specific, it can only base its decision on the evidence before it (see *Red Kite Community Housing Ltd v Robertson* [2014] UKUT 134 (LC)). Other examples of costs where the Tribunal can make use of its general expertise is in relation to management charges and utility charges but only if it is supplied with enough information about the size and general characteristics of the block to enable it to do so. Further the Tribunal can reduce the sums recoverable if the sum claimed is obviously too high. The Tribunal was referred by Mr Miller to the facts of *Wallace-Jarvis v Optima (Cambridge) Ltd* [2013] UKUT (LC) 328. where the Upper Tribunal intervened to reduce the sums payable in respect of water charges notwithstanding the fact that the leaseholders had put forward no evidence as to what a reasonable charge for water should have been. In that case the sums claimed by the freeholder amounted to each flat

having 11,500 showers per year. This was in itself so self-evidently high as to amount to evidence that the sums claimed were unreasonable in the absence of any contrary evidence to support them.

## **5. The law**

5.1 The relevant statutory provisions are set out in the appendix to this Decision.

5.2 The Applicant does not now challenge his liability to pay towards the reserve fund, nor does he challenge his liability in principle towards the freeholder's costs of supplying the services in question, merely whether the cost claimed from him are reasonable. He does not seek to challenge the costs on the grounds that the works done or the services supplied were sub-standard.

## **6. Reasonableness of Staff Costs and Staff Flat Costs**

6.1 The Applicant challenges the staff costs of £132,873 for the year 2022. We were told today that there are 4 members of full-time staff. The sum claimed includes the employer's national insurance contributions. Miss Fletcher does not respond to this head of challenge in her witness statement however this does not appear to the Tribunal to be a strikingly high sum for 4 members of full-time staff in London, even if one does have the benefit of free accommodation. The Applicant has not supplied any evidence to suggest that this sum is unreasonable.

6.2 The sum claimed for the building manager's flat is £21,995 for the year 2022. The lease provides that the leaseholders should contribute towards the cost of the provision of staff accommodation in the block and that the cost will be assessed by reference to the rent which could be obtained for the flat on the open market (Paragraph (xi) of the First Schedule of the Deed of Trust dated 25<sup>th</sup> February 1971). The cost claimed of £21,995 does not seem strikingly high for a 1- or 2-bedroom flat in this particular block in this part of central London. The Applicant in any event did not supply any evidence of comparable lettings to indicate that it is too high.

## **7. Reasonableness of Fire Alarm Costs and Fire Door Costs**

7.1 The Respondent sought service charges from the leaseholders of the block in the sum of £102,111 representing the cost of replacing the fire alarm for the whole block, and £145,700 to install fire doors to the common parts. The costs were incurred in 2021 and 2022 respectively. The Applicant challenged each item in his Scott schedule on the grounds that it 'seems steep' or was 'high'. He has not provided any direct evidence to support his contention that the sums charged were

unreasonable. He invites the Tribunal to reduce the sum recoverable by 50% because the contractor who installed the fire alarm and fire doors was the same contractor from whom Faraday obtained quotes for the fireproofing works to the doors of the leaseholders. The Applicant maintains that because that quote was 50% higher than the quote he obtained for the same works, the Tribunal can infer that the quotes for both the fire alarm and the communal doors was similarly inflated.

7.2 The Tribunal has no evidence from the Applicant at all in relation to the alarm system that was fitted or even the number of fire doors involved. Given that the block is a very substantial block consisting of 91 flats the sums involved do not appear to be obviously inflated. The Respondent carried out a s.20 consultation in respect of the relevant fire safety costs and chose the contractor who supplied the lowest estimate. Consequently in the absence of any counter evidence from the Applicant the Tribunal finds that the costs claimed were reasonable.

## **8. S.20c costs Landlord & Tenant Act 1985**

8.1 The test for the Tribunal with regard to a s.20C Order is whether it would be *just and equitable* for the Applicant to pay the Respondents' costs, given the Tribunal's findings and given that other leaseholders might be disadvantaged by their liability to pay such costs.

8.2 The Applicant has not succeeded in any of his challenges. The Tribunal has consequently decided not to make an order, on the basis that the s.27a determination did not favour the Applicant.

8.3 For the same reason the Tribunal does not make an order limiting recovery of the Respondent's costs pursuant to paragraph 5(a) of Schedule 11 of the 2002 Act, or an order requiring the application fee to be reimbursed.

## **9. Costs under Rule 13**

9.1 The Respondent in its response to the Applicant's statement of case indicated that it intended to apply for costs pursuant to Rule 13 of the Tribunal Procedure (First Tier Tribunal)(Property Chamber) Rules 2013. This intention was reiterated in the Respondent's skeleton argument. It was not pursued in the course of the hearing or at the end of Mr Miller's submissions. However as he rightly observed in his skeleton argument the success of such an application will usually depend on the outcome of the case. The Tribunal assumes that it remains the Respondent's intention that the Tribunal should consider exercising its powers under Rule 13 to make a costs order in the light of the decision it has reached, the submissions set out the Respondent's statement of case and its skeleton argument filed for the hearing.



9.2 Rule 13 of the Tribunal rules provides that the Tribunal may make an order in respect of costs of proceedings only:

*1(b) if a person has acted unreasonably in bringing, defending or conducting proceedings in a leasehold case.'*

9.3 The Upper Tribunal has adopted the guidance of the term '*unreasonable*' as set-out in *Ridehalgh –v– Horsefield* [1994] Ch. 205, which stated:

*'The acid test is whether the conduct permits a reasonable explanation, if so, the course adopted may be regarded as optimistic and reflecting upon a practitioner's judgment but it is not unreasonable.'*

9.4 In *Willow Court Management (1985) Ltd –v– Alexander* [2016] 0290 UKUT (LC) it held at paragraph 28:

*'At the first stage the question is whether the person has acted unreasonably. A decision that the conduct of a party has been unreasonable does not involve an exercise of discretion but, rather, the application of an objective standard of conduct to the facts of the case. If there is no reasonable explanation for the conduct complained of, the behaviour will probably be adjudged to be unreasonable and the threshold for making an Order will have been crossed. A discretionary power is then engaged and the decision maker moves to a second stage of the enquiry. At that stage, it is essential for the Tribunal to consider whether, in the light of the unreasonable conduct, it is found to have been demonstrated it ought to make an Order for costs or not. It is not only if it decides that it should make an Order that a third stage is reached, when the question is what the terms of that Order should be.'*

9.5 At the first stage, the question is whether a person acted unreasonably, which requires the application of an objective standard of conduct to the facts of the case. In this case, the Applicant made an application to Tribunal as he was entitled to do, to review and consider the service charges that he believed either not to be payable or unreasonable. This is usual practice for lessees who are discontent with the operation of their managing agents. The application may well have been ill-judged and poorly thought out, but there was no behaviour of a vexatious or obstructive nature which would generally be required to depart from the normal costs position. There is no indication of any kind of bad faith on the part of Mr Fereidooni in these proceedings. Mr Miller submitted in his skeleton argument that the Applicant had approached these proceedings with 'an uncharitable mindset'. Mr Fereidooni is under no obligation to give his managing agents the benefit of the

doubt, and he went no further in his letter to the court at page 1 of his bundle than to set out his grounds for suspecting that the s.20 consultation process both in relation to the works to the rear and front elevations and in relation to fire safety works were not properly conducted.

9.6 Furthermore the Tribunal considers that some of the difficulties that the Applicant has had in formulating his case stem in part from the enormous amount of documents included in the Respondent's disclosure. While this might have been understandable in the light of the initial failure of the Applicant to fully particularise his case prior to service of his Scott Schedule, the Tribunal does not understand why no effort appears to have been made subsequently by the Respondent to identify the invoices that were relevant to the Scott Schedule served in May 2023, and to ensure in particular that only those invoices were included in the bundle prepared for this hearing. Had they done so it may have assisted the Applicant in refining his challenge earlier than he did.

9.7 The Tribunal can see no justification for awarding the Respondent's costs under 13(1)(b) and no award is made.

**Name:** Judge N O'Brien

**Date:** 2 January 2024

## **Appendix A**

### **RIGHTS OF APPEAL**

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

## **Appendix B - Relevant Legislation**

### **Landlord and Tenant Act 1985 (as amended)**

#### **Section 18**

- (1) In the following provisions of this Act 'service charge' means an amount payable by a tenant of a dwelling as part of or in addition to the rent -
  - (a) which is payable, directly or indirectly, for services, repairs, maintenance, improvements or insurance or the landlord's costs of management, and
  - (b) the whole or part of which varies or may vary according to the relevant costs.
- (2) The relevant costs are the costs or estimated costs incurred or to be incurred by or on behalf of the landlord, or a superior landlord, in connection with the matters for which the service charge is payable.
- (3) For this purpose: -
  - (a) 'costs' includes overheads; and
  - (b) costs are relevant costs in relation to a service charge whether they are incurred, or to be incurred, in the period for which the service charge is payable or in an earlier or later period.

#### **Section 19**

- (1) Relevant costs shall be taken into account in determining the amount of a service charge payable for a period: -
  - (a) only to the extent that they are reasonably incurred, and
  - (b) where they are incurred on the provisions of services or the carrying out of works, only if the services or works are of a reasonable standard;and the amount payable shall be limited accordingly.
- (2) Where a service charge is payable before the relevant costs are incurred, no greater amount than is reasonable is so payable, and after the relevant costs have been incurred any necessary adjustment shall be made by repayment, reduction or subsequent charges or otherwise.

#### **Section 27A**

- (1) An application may be made to the appropriate tribunal for a determination whether a service charge is payable and, if it is, as to: -

- (a) the person by whom it is payable;
  - (b) the person to whom it is payable;
  - (c) the amount which is payable;
  - (d) the date at or by which it is payable; and
  - (e) the manner in which it is payable.
- (2) Subsection (1) applies whether or not any payment has been made.
- (3) An application may also be made to the appropriate tribunal for a determination whether, if costs were incurred for services, repairs, maintenance, improvements, insurance or management of any specified description, a service charge would be payable for the costs and, if it would, as to: -
- (a) the person by whom it would be payable;
  - (b) the person to whom it would be payable;
  - (c) the amount which would be payable;
  - (d) the date at or by which it would be payable; and
  - (e) the manner in which it would be payable.
- (4) No application under subsection (1) or (3) may be made in respect of a matter which: -
- (a) has been agreed or admitted by the tenant;
  - (b) has been, or is to be, referred to arbitration pursuant to a post-dispute arbitration agreement to which the tenant is a party;
  - (c) has been the subject of determination by a court; or
  - (d) has been the subject of determination by an arbitral tribunal pursuant to a post-dispute arbitration agreement.
- (5) But the tenant is not to be taken to have agreed or admitted any matter by reason only of having made any payment.

## **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) the appropriate 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 20B**

- (1) If any of the relevant costs taken into account in determining the amount of any service charge were incurred more than 18 months before a demand for payment of the service charge is served on the tenant, then (subject to subsection (2)), the tenant shall not be liable to pay so much of the service charge as reflects the costs so incurred.
- (2) Subsection (1) shall not apply if, within the period of 18 months beginning with the date when the relevant costs in question were incurred, the tenant was notified in writing that those costs had been incurred and that he would subsequently be required under the terms of his lease to contribute to them by the payment of a service charge.

### **Section 20C**

- (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.