



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

Case Reference : **LON/00AY/LSC/2023/0409**

Property : **Flat 4, 53, Drewstead Road, London
SW16 1AA**

Applicant : **Mr Alan Sheehan**

Representative : **Not represented**

Respondent : **Assehold Ltd**

Representative : **Ms. A. Kavanagh of counsel from LPC
Law**

Type of Applications : **For the determination of the
reasonableness of and the liability to
pay service charges and/or
administration charges**

Tribunal Members : **Judge S. J.Walker
Tribunal Member Ms. A. Flynn MA
MRICS**

**Date and venue of
Hearing** : **11 April 2024**

Date of Decision : **26 April 2024**

DECISION

Decisions of the Tribunal

- (1) The Tribunal determines that the sum payable by the Applicant to the Respondent by way of service charges in respect of the period from 27 August 2021 until 31 October 2021 is £733.76.**
- (2) The application for an order under section 20C of the Landlord and Tenant Act 1985 so that none of the landlord's costs of the**

Tribunal proceedings may be passed to the lessee through any service charge is granted.

- (3) The application for an order under paragraph 5A of Schedule 11 to the Commonhold and Leasehold Reform Act 2002, so that none of the landlord's litigation costs can be recovered as an administration fee is granted.**
- (4) The Tribunal makes an order of its own initiative under rule 13(2) of the Tribunal procedure (First-tier Tribunal) (Property Chamber) Rules 2013 for the re-imbursement by the Respondent of the fees of £300 paid by the Applicant in bringing this application. Payment is to be made within 28 days.**

Reasons

The Application

1. The Applicant seeks a determination pursuant to section 27A of the Landlord and Tenant Act 1985 ("the 1985 Act") as to the amount of service charges payable by him to the Respondent in respect of the period from 27 August 2021 to 31 October 2021.
2. The application was made on 5 November 2023, at which time the Respondent was stated to be Eagerstates Ltd. Directions were initially issued on 16 November 2023. On 20 March 2024 Judge Korn directed that the current Respondent, Assethold Ltd., should be substituted for Eagerstates Ltd. as the latter were merely the landlord's agent and service charges were payable to Assethold Ltd. Further directions were also issued on that day.
3. In compliance with the directions, the Applicant produced a page-numbered bundle of documents comprising 81 pages. Page numbers in what follows refer to that bundle.
4. The relevant legal provisions are set out in the Appendix to this decision. The role of the Tribunal is not to conduct an accounting exercise between the parties but is simply to determine what service charges are properly payable under the terms of the lease for the period in dispute. Also, by virtue of section 27A(4)(a) of the 1985 Act applications may not be brought to the Tribunal in respect of service charges which have been agreed or admitted by the tenant.

The Hearing

5. The Respondent was represented at the hearing by Ms. A. Kavanagh of counsel. The Applicant, Mr. Sheehan, was unrepresented.
6. Neither party requested an inspection, and the Tribunal did not consider that one was necessary, nor would it have been proportionate to the issues in dispute.

The Background

7. The property is a one-bedroom flat in a converted semi-detached property which now contains 6 flats.
8. Although no evidence of title was produced, it was accepted by the parties that the Applicant's landlord is Assethold Ltd.

The Lease

9. By a lease dated 10 January 2017 originally made between West End and City Holdings Ltd. and Hampstead West Homes Ltd. the Applicant holds the property for a term of 125 years from 29 September 2016 (pages 63 to 81).
10. There was no evidence of the Applicant's title to the lease, but this again was not in issue between the parties.
11. There was no dispute about the terms of the lease, which includes standard provisions in respect of the payment of service charges. The service charge year is stated to end on 31 December of each year (see page 68 where maintenance year end is defined). It is not necessary to consider the terms of the lease in detail.

The Applicant's Case

12. The Applicant's case is set out in his application form and in his statement of case, which appears at pages 18 to 20. It can be stated simply as follows.
13. The Applicant became the owner of the property on 27 August 2021. His case is that when he purchased it, he was informed that at that time there were no service charges owing. An e-mail from Mr. Gurvits of Eagerstates Ltd., the managing agents, to the Applicant dated 24 May 2022 confirms that there was a zero balance on 19 July 2021 (page 46).
14. The Applicant paid a quarterly service charge of £733.76 on 27 September 2021 in advance. This was not disputed by the Respondent. On 31 October 2021 Eagerstates Ltd. ceased to manage the property following a successful right to manage application by 53, Drewstead Road RTM Co. Ltd.
15. From that point on, the Applicant received various demands for payments of sums which were said to be outstanding. The various invoices appear at pages 33 to 45. It is helpful to consider those invoices in detail.
16. The first, dated 1 December 2021, demands an outstanding amount of £1,559.39 together with sums for ground rent and the administration costs of collecting that ground rent, making a total of £1,660.89 (page 33). (It is worth stating at this stage that the Tribunal has no jurisdiction in respect of ground rent. Also, it was conceded on behalf of the Respondent by Ms. Kavanagh that the administration costs of recovering the ground rent were not recoverable. This is because Mr. Sheehan, together with the other long leaseholders in the building, had made a successful application to the Tribunal which had decided on 20 March 2024 that such administration costs were not recoverable – see

case ref. LON/00AY/LAC/2023/0019.). This was, therefore, an indication that there was £1,559.39 in service charges owing.

17. The next invoice is dated 10 January 2022 (page 34). It states that there has been a failure to make payment and that the previous amount due was £1,598.39. To this is added £120 described as costs, making a total of £1,718.39. It is notable that the previous amount stated to be due is neither the figure for service charges from the previous invoice, nor the total claimed in that invoice.
18. There then follows an invoice dated 19 April 2022. It again states that there has been no payment. This time the previous amount due is said to be £569.36, to which a further £120 in costs has been added, making a total of £716.39 (page 35). The difference between the outstanding sum of £569.36 and the previous outstanding sum of £1,598.39 is not explained.
19. On 31 May 2022 there follows a further invoice. This accurately states that the amount owing from the previous invoice was £716.39, to which ground rent and unrecoverable administration costs have been added, making a total of £817.89 (page 36)
20. Then on 13 July 2022 the Respondent sent the Applicant another invoice. This again stated that there had been no payment but then stated that the previous amount due was £755.39. This is different from the sum in the previous invoice. To this another charge of £120 for costs has been added, making a total of £875.39 (page 37).
21. The next invoice is dated 31 August 2022. This accurately states that the amount on the previous invoice was £875.39, to which ground rent and unrecoverable administration charges have been added, making a total of £976.89 (page 38).
22. Following this there is an invoice dated 30 November 2022. This states that the amount outstanding is £914.39, to which ground rent and administration charges have been added, making a total of £1,015.89 (page 39).
23. Then on 1 March 2023 there is another invoice. This states that the amount outstanding from the previous account was £953.39, to which again ground rent and administration charges have been added, making a total of £1,054.89 (page 40).
24. On 31 May 2023 there is an invoice which states that the previous amount owing is £992.39 and again ground rent and administration charges are added, making a total of £1,093.89 (page 41).
25. There is an invoice on 31 August 2023 which states that the amount outstanding from the previous account was £1,031.39 and the same additions are made, making a total of £1,132.89 (page 42).

26. Then on 9 October there is another invoice. This states that there has been a failure to pay and that proceedings will be commenced to forfeit the lease. The sum said to be owing is stated to be £1,070.39 to which £120 in costs has been added, making a total of £1,190.39 (page 43).
27. There is then an invoice dated 28 November 2023. This states that the amount outstanding is £1,190.39 to which ground rent and administration charges are added, making a total of £1,291.89 (page 44). A similar invoice is sent on 28 February 2024 in which the sum owing is said to be £1,229.39 and again ground rent and costs are added, making a total of £1,330.89 (page 45).
28. The Applicant's case is that he repeatedly asked for clarification about what the sums outstanding were for, but that this was never provided. He referred to an e-mail of 6 December 2021 from Mr. Gurvits in which the latter stated simply that the sum was a balancing charge (page 47). He was, though, on 13 January 2021 provided with a document setting out expenses in respect of 53, Drewstead Road for the period from December 2020 to November 2021 (pages 58 and 59). This stated that there was a balance owing of £1,559.39, the same sum as appeared in the first invoice.
29. Following the making of this application, Mr. Gurvits from Eagerstates Ltd. sent an e-mail to the Tribunal on 15 January 2024 which stated that the sums owing were £375 in ground rent, £23.39 in service charges, £351 in administration charges for collecting the ground rent and £480 costs in relation to non-payment – making a total of £1,229.39 (page 60).
30. In effect, the Applicant's case was to put the Respondent to proof as to what the outstanding charges were for and how they were calculated.

The Respondent's Case

31. As explained above, the Respondent accepted that the Tribunal could not deal with ground rent and that administration costs in connection with the collection of ground rent were not recoverable. Ms. Kavanagh argued that the sums which were properly under the terms of the lease and which the Tribunal had the power to determine were £23.39 in service charges and £480 solicitor's costs.
32. Ms. Kavanagh was asked about the schedule of costs for the period from December 2020 to November 2021 (page 58). She was unable to provide any information about when during that period the expenses set out in the schedule had been incurred. She could not, therefore, establish that any of the costs had actually been incurred during the time that the Applicant was the owner of the property. She was asked why it stated in that schedule that the amount of service charges owing was £1,559.39 whereas it was now said that the sum owing was only £23.39, a difference of £1,536. Her response was that the figure had reduced because Mr. Sheehan had paid some of the outstanding sum. This was adamantly denied by Mr. Sheehan, and Ms. Kavanagh was unable to produce any evidence of payment. She was also unable to explain the apparent discrepancies in the invoices set out above.

33. With regard to the £480 in solicitor's costs, Ms. Kavanagh argued that these were recoverable under paragraph 4 of Schedule 3 of the lease. This states as follows;

“To pay unto the Lessor all costs charges and expenses including legal costs and fees payable to a Surveyor which may be incurred by the Lessor in or in contemplation of any proceedings under Sections 146 and 147 of the Law of Property Act 1925 or any statutory modification thereof which may for the time being be subsisting notwithstanding forfeiture be avoided otherwise than by the Court granting relief under the said Act and to pay all costs and expenses incurred (including Solicitors and own client costs) in recovery or attempting to recover all sums payable by the Lessee under these presents whether or not proceedings of any nature are commenced in respect of the same”

34. However, beyond stating that the sum of £480 was solicitor's costs, she could provide no further detail. There was no evidence of any letters sent by solicitors on behalf of the Respondent and no bill from any solicitors for work undertaken. Despite statements in the letters dated 10 January 2022, 19 April 2022, 13 July 2022, and 9 October 2023 – the invoices in which the £120 fees were added – that the Respondent was going to begin Court proceedings, no evidence of such was provided.

The Tribunal's Conclusion

35. The Tribunal accepted that the Applicant paid a service charge of £733.76 on 21 September 2021 in respect of the period after he became the tenant of the property. The issue before the Tribunal clearly related to sums being charged in addition to that sum, and it was not suggested by the Applicant that the sum he had paid was not properly payable under the terms of the lease. The Tribunal therefore concluded that that sum had been agreed by the Applicant and that, therefore, the Applicant was unable to challenge it in these proceedings. What was properly before the Tribunal, however, was the additional sums being demanded by Eagerstates Ltd.
36. Given the fact that the Applicant only became the tenant of the property at the end of August 2021, little more than 2 months before Eagerstates Ltd. ceased to manage the property, the Tribunal was satisfied that he had clearly raised a challenge to the payability of the further charges sought from him on the basis that it was not clear whether the charges in question were incurred before or after he became liable to pay them. The onus was, therefore, on the Respondent to show that the charges were payable.
37. Whilst the Tribunal bore in mind that the Applicant was informed at the time of his purchase that there were no service charges outstanding at that time, that does not of itself mean that he would not be liable to make payment in respect of service charges at a later date, especially as under the terms of the lease service charges are payable on account. The Tribunal was fully aware that the Applicant may at some time become liable to make a balancing charge for service charges once the actual costs for the service charge year were established.

38. In the view of the Tribunal, it should have been a relatively simple task for the Respondent to provide a break-down of the costs incurred in the 2021 service charge year in such a way as to distinguish between those costs incurred before the Applicant became the owner of the property and those incurred after, with any continuing costs, such as insurance and management fees, being calculated on a pro rata basis. Any charges incurred afterwards would be payable by the Applicant, with account being given for his payment in advance in September 2021.
39. However, no such clarity was provided by the Respondent. It remained completely unclear what costs had been incurred before 27 August 2021 and what had been incurred after. Whilst the Tribunal accepted that there must have been some charges payable by the Applicant in respect of the period between his becoming the tenant and 31 October 2021, it also bore in mind that he had paid a sum on account for that period of £733.76.
40. Looking at the schedule of costs at page 58, clearly some of these could be apportioned on a pro-rata basis without difficulty, such as insurance and the management fee. The total of these is said to be £3,578 plus £1,577.40, making a total of £5,155.40. The share attributable to this property is one sixth, which is £859.23 for a period of 1 year. However, the period in question is only just over 2 months, making the total less than £150. This is considerably less than the sum paid by the Applicant.
41. For the remaining expenses it is not possible to perform such an exercise because it is not clear when the costs were incurred. The importance of timing can be appreciated by looking at the schedule of costs in a different way. The largest expense is £9,120 for boiler works, but there is no indication when those works took place. The same applies to the damp works (£2,095.68) and roof works (£4,147.46). If all these works were carried out before the Applicant became the tenant, then the costs of those works would not be recoverable from him. No evidence was provided by the Respondent as to when those works were carried out and so the Tribunal could not be satisfied that the Applicant was liable to pay for them. If those works were removed from the overall expenses total relied on by the Respondent, the total amount is reduced from £40,354.35 to £24,991.21. The property's share of that sum is £4,165.20, and the period for which the Applicant would be liable is roughly one sixth of that, which is £694.20. This is less than the sum he paid. It follows that if just those works alone were carried out before the Applicant became the owner, even if all the other costs were apportioned on a pro rate basis, he would have no liability to pay.
42. In the circumstances the Tribunal was not satisfied that the Respondent had shown that costs in excess of the sum already paid by the Applicant were attributable to the period when he was the tenant, and so it could not be satisfied that any additional sums were payable by him. It was not, therefore, satisfied that a further sum of £23.39 was payable by the Applicant.

43. With regard to the £480 in costs, the Tribunal was similarly unimpressed by the Respondent's case. Firstly, the only basis for incurring costs of the kind which could be recoverable under the terms of paragraph 4 of Schedule 3 of the lease would be if the Applicant genuinely had not paid sums which he was required to pay under the terms of the lease. The Tribunal was not satisfied that the Respondent had shown that that was the case. As explained above, it had not shown that there were service charges owing, and it was unable to recover administration costs in respect of recovering the ground rent. This means that the only other possible basis for taking action under section 146 of the Law of Property Act 1925 would be the non-payment of ground rent.
44. The Applicant's case was that he had always paid the ground rent, which is £62.50 per quarter – see pages 29 and 30. Although the Respondent's breakdown at page 60 states that there was £375 owing in ground rent, the invoices described above show that the ground rent was in fact being paid. In many cases where the amount stated to be owing is less than the total given in the previous invoice, the difference between the two sums is £62.50, the amount of the ground rent, which clearly suggests that this was being paid. (Compare the invoices at pages 36 and 37, 38 and 39, 39 and 40, 40 and 41, 41 and 42, and 42 and 43). The Tribunal therefore accepted the Applicant's account that the ground rent was being paid. It follows, therefore, that the Respondent has not been able to show that the Applicant has failed to pay any sums due under the lease, so cannot show any basis for taking action for forfeiture.
45. In any event, the Respondent's case was that the sum of £480 amounted to solicitor's costs, but was unable to provide any evidence to substantiate what those costs were for or, indeed, to show that solicitors had in fact been instructed.
46. The Tribunal therefore concluded that the Respondent had not shown that the sum of £480 was properly recoverable under the terms of paragraph 4 of Schedule 3 of the lease.

Applications under s.20C of the 1985 Act and Para 5A of Schedule 11 of the Commonhold and Leasehold Reform Act 2002 and Fees

47. The Applicant also made an application for an order under section 20C of the 1985 Act ("section 20C") to the effect that none of the Respondent's costs of the Tribunal proceedings may be passed to the lessees through any service charge, and an order to reduce or extinguish his liability to pay an administration charge in respect of litigation costs under paragraph 5A of Schedule 11 of the Commonhold and Leasehold Reform Act 2002 ("paragraph 5A").
48. To the extent that either order is required to prevent the recovery of such costs and charges, the Tribunal was satisfied that they should be made.
49. The Applicant has been successful in his case. The Tribunal notes that the Respondent failed to provide anything like a clear explanation of its case and, indeed, it is on the basis of that failure that the Applicant has been successful.

The Respondent has not engaged with the Applicant in any meaningful way, as is made very clear by the findings of the Property Ombudsman following a complaint made to them by the Applicant against Eagerstates Ltd. (see pages 5 to 57).

50. The Tribunal also decided that it was appropriate to make an order under rule 13(2) of the Tribunal procedure (First-tier Tribunal) (Property Chamber) Rules 2013 for the payment by the Respondent of the Applicant's fees.

Name: Judge
S.J. Walker

Date: 26 April 2024

ANNEX - RIGHTS OF APPEAL

- The Tribunal is required to set out rights of appeal against its decisions by virtue of the rule 36 (2)(c) of the Tribunal Procedure (First-tier Tribunal)(Property Chamber) Rules 2013 and these are set out below.
- If a party wishes to appeal against this decision to the Upper Tribunal (Lands Chamber) then a written application for permission must be made to the First-tier Tribunal at the Regional office which has been dealing with the case.
- The application for permission to appeal must arrive at the Regional office within 28 days after the Tribunal sends written reasons for the decision to the person making the application.
- If the application is not made within the 28-day time limit, such application must include a request for an extension of time and the reason for not complying with the 28-day time limit; the Tribunal will then look at such reason(s) and decide whether to allow the application for permission to appeal to proceed despite not being within the time limit.
- The application for permission to appeal must identify the decision of the Tribunal to which it relates (i.e. give the date, the property and the case number), state the grounds of appeal, and state the result the party making the application is seeking.

Appendix of relevant legislation

Landlord and Tenant Act 1985 (as amended)

Section 18

- (1) In the following provisions of this Act "service charge" means an amount payable by a tenant of a dwelling as part of or in addition to the rent -

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

Section 19

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

Section 27A

- (1) An application may be made to the appropriate Tribunal for a determination whether a service charge is payable and, if it is, as to -
- (a) the person by whom it is payable,
 - (b) the person to whom it is payable,
 - (c) the amount which is payable,
 - (d) the date at or by which it is payable, and
 - (e) the manner in which it is payable.
- (2) Subsection (1) applies whether or not any payment has been made.
- (3) An application may also be made to the appropriate Tribunal for a determination whether, if costs were incurred for services, repairs, maintenance, improvements, insurance or management of any specified description, a service charge would be payable for the costs and, if it would, as to -
- (a) the person by whom it would be payable,
 - (b) the person to whom it would be payable,

- (c) the amount which would be payable,
 - (d) the date at or by which it would be payable, and
 - (e) the manner in which it would be payable.
- (4) No application under subsection (1) or (3) may be made in respect of a matter which -
- (a) has been agreed or admitted by the tenant,
 - (b) has been, or is to be, referred to arbitration pursuant to a post-dispute arbitration agreement to which the tenant is a party,
 - (c) has been the subject of determination by a court, or
 - (d) has been the subject of determination by an arbitral Tribunal pursuant to a post-dispute arbitration agreement.
- (5) But the tenant is not to be taken to have agreed or admitted any matter by reason only of having made any payment.

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.

Section 20ZA

- (1) Where an application is made to the appropriate tribunal for a determination to dispense with all or any of the consultation requirements in relation to any qualifying works or qualifying long term agreement, the tribunal may make the determination if satisfied that it is reasonable to dispense with the requirements.
- (2) In section 20 and this section –
 - “qualifying works” means works on a building or any other premises, and
 - “qualifying long term agreement” means (subject to subsection (3)) an agreement entered into, by or on behalf of the landlord or a superior landlord, for a term of more than twelve months.
- (3) The Secretary of State may by regulations provide that an agreement is not a qualifying long term agreement –
 - (a) if it is an agreement of a description prescribed by the regulations, or
 - (b) in any circumstances so prescribed.
- (4) In section 20 and this section “the consultation requirements” means requirements prescribed by regulations made by the Secretary of State.
- (5) Regulations under subsection (4) may in particular include provision requiring the landlord
 - (a) to provide details of proposed works or agreements to tenants or the recognised tenants’ association representing them,
 - (b) to obtain estimates for proposed works or agreements,
 - (c) to invite tenants or the recognised tenants’ association to propose the names of persons from whom the landlord should try to obtain other estimates,
 - (d) to have regard to observations made by tenants or the recognised tenants’ association in relation to proposed works or agreements and estimates, and
 - (e) to give reasons in prescribed circumstances for carrying out works or entering into agreements
- (6) Regulations under section 20 or this section
 - (a) may make provision generally or only in relation to specific cases, and
 - (b) may make different provision for different purposes.
- (7) Regulations under section 20 or this section shall be made by statutory instrument subject to annulment in pursuance of a resolution of either House of Parliament.

Commonhold and Leasehold Reform Act 2002

Schedule 11, paragraph 1

- (1) In this Part of this Schedule “administration charge” means an amount payable by a tenant of a dwelling as part of or in addition to the rent which is payable, directly or indirectly—
 - (a) for or in connection with the grant of approvals under his lease, or applications for such approvals,
 - (b) for or in connection with the provision of information or documents by or on behalf of the landlord or a person who is party to his lease otherwise than as landlord or tenant,
 - (c) in respect of a failure by the tenant to make a payment by the due date to the landlord or a person who is party to his lease otherwise than as landlord or tenant, or
 - (d) in connection with a breach (or alleged breach) of a covenant or condition in his lease.
- (2) But an amount payable by the tenant of a dwelling the rent of which is registered under Part 4 of the Rent Act 1977 (c. 42) is not an administration charge, unless the amount registered is entered as a variable amount in pursuance of section 71(4) of that Act.
- (3) In this Part of this Schedule “variable administration charge” means an administration charge payable by a tenant which is neither—
 - (a) specified in his lease, nor
 - (b) calculated in accordance with a formula specified in his lease.
- (4) An order amending sub-paragraph (1) may be made by the appropriate national authority.

Schedule 11, paragraph 2

A variable administration charge is payable only to the extent that the amount of the charge is reasonable.

Schedule 11, paragraph 5

- (1) An application may be made to the appropriate Tribunal for a determination whether an administration 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) Sub-paragraph (1) applies whether or not any payment has been made.

- (3) The jurisdiction conferred on the appropriate Tribunal in respect of any matter by virtue of sub-paragraph (1) is in addition to any jurisdiction of a court in respect of the matter.
- (4) No application under sub-paragraph (1) 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.
- (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 matter of an application under sub-paragraph (1).

Schedule 11, paragraph 5A

- 5A(1)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.