



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

Case reference : LON/00AP/LSC/2024/0159

Property : Flat 1, 22 Alfoxtone Avenue, London,
N15 3DD

Applicant : Kostja Sukara

Representative : In person

Respondent : Elksian Securities Limited

Representative : Strollmoor Limited

Type of application : (1) Service charges under section 27A
of the Landlord and Tenant Act
1985
(2) Administration charges (schedule
11 of the Commonhold and
Leasehold Reform Act 2002)

Tribunal members : Judge Tueje
Mrs A Flynn MA MRICS

Venue : 10 Alfred Place, London WC1E 7LR

Date of hearing : 21st November 2024
Date of decision : 24th January 2025

DECISION

In this determination, statutory references relate to the Landlord and Tenant Act 1985 unless otherwise stated.

Decisions of the Tribunal

- (1) The Tribunal makes the determinations set out at paragraphs 39 to 63 below.
- (2) The applications under section 20C of the Landlord and Tenant Act 1985 and paragraph 5A of Schedule 11 of the Commonhold and Leasehold Reform Act 2002 (the “2002 Act”) are refused for the reasons stated at paragraphs 64 to 65.

The application

1. The application, dated 18th April 2024, seeks a determination pursuant to section 27A, as to the amount payable for insurance. In particular, section 7 of the application form specifies the following disputes:
 - 1.1 The cost for 2021 in the sum of £396.45;
 - 1.2 The cost for 2022 in the sum of £449.81;
 - 1.3 The cost for 2023 in the sum of £427.11; and
 - 1.4 The cost for 2024 in the sum of £410.63.
2. These sums relate solely to Mr Sukara’s contribution towards insurance premiums that the Respondent has sought to recover from him.
3. By an order dated 12th June 2024 the Tribunal made directions in respect of the application, and listed it for a final hearing on 22nd November 2024.
4. Applicants are informed on the application form that they must provide a copy of their lease when submitting the application. Mr Sukara did not provide his.
5. Prior to the Tribunal requested a copy of the lease on 18th and 20th November 2024. Mr Sukara responded by e-mailing extracts from the lease. It was only on the morning of the hearing that he attended with a full copy of the 34 page lease, plus a 10-page deed of variation.

The background

6. This application relates to the property known as Flat 1, 22 Alfoxtone Avenue, London, N15 3DD (the “Property”). We were informed at the hearing that the Property is situated within a block (the “Building”) which contains 13 flats, 5 of which are let to the Respondent.
7. The Respondent, Elksian Securities Limited, is named as the lessor under the lease. Wordsworth House Management Company, is also a party to the lease, referred to as the “Management Company”.

8. The Property is let to Mr Sukara by a lease dated 28th April 1988, originally granted for a term of 99 years commencing 25th December 1987. The relevant terms of the lease are discussed in more detail below.
9. By a deed of variation dated 22nd November 2009, the parties agreed a new term, being a term of 189 years commencing 25th December 1987.
10. Paragraph 3 of the deed of variation reads:

Subject to the above this deed is made upon the terms and subject to the same covenants conditions and provisions in all respects as those contained in the Principal Lease and shall be read and construed as if those covenants conditions and provisions were set forth verbatim in this deed with such modification only as are necessary to make them applicable to this deed

The hearing

11. Neither party requested an inspection by the Tribunal, and the Tribunal did not consider one was necessary or proportionate.
12. Mr Sukara attended the hearing; he was not legally represented. Mr See of Strollmoor Limited, the Respondent's managing agents, represented the Respondent.
13. The Tribunal was provided with the following documents for the hearing:
 - 13.1 33-page hearing bundle from Mr Sukara;
 - 13.2 The lease in respect of the Property dated 28th April 1988;
 - 13.3 A deed of variation dated 2nd November 2009; and
 - 13.4 9-page bundle of documents from the Respondent.
14. As stated, it was only on the morning of the hearing that the Tribunal received a complete copy of the lease. Therefore, we took some time before the hearing began to peruse the lease.
15. After the hearing, the Tribunal studied the lease more closely, and considered additional information from the parties was required.
16. Therefore, the Tribunal wrote to the parties on 2nd December 2024 as follows:

The parties will recall that the Tribunal only received a complete copy of the Applicant's lease at the start of the hearing on 21st November 2024, on receipt of which the Tribunal adjourned to read the lease, before resuming the hearing. Since

the hearing, the Tribunal has identified further points on which it requires further clarification and documentation.

The Tribunal directs the further information is provided as follows:

The Respondent

By 16th December 2024, the Respondent shall e-mail the Applicant and the Tribunal to clarify whether the insurance premiums are payable as:

- 1. A service charge, and state its reasons;*
- 2. An administration charge, and state its reasons; or*
- 3. Something else. If so it must state how it describes the insurance premiums, and give its reasons?*

By 16th December 2024, the Respondent shall e-mail the Applicant and the Tribunal a copy of the order made by the county court disposing of the proceedings issued by the Respondent against the Applicant. This relates to the proceedings referred to in the first paragraph of the Applicant's statement (at page 9 of his hearing bundle).

The Applicant

By 3rd January 2025, the Applicant shall e-mail the Respondent and the Tribunal to clarify whether the insurance premiums are payable as:

- 1. A service charge, and state his reasons;*
- 2. An administration charge, and state his reasons; or*
- 3. Something else. If so he must state how he describes the insurance premiums, and give his reasons?*

By 3rd January 2025, the Applicant shall e-mail the Respondent and the Tribunal a copy of the order made by the county court disposing of the proceedings issued by the Respondent against the Applicant. This relates to the proceedings referred to in the first paragraph of the Applicant's statement (at page 9 of his hearing bundle).

The Respondent's Reply

By 10th January 2025 the Respondent may, if it chooses, send to the Applicant and the Tribunal any Reply to the Applicant's clarification regarding the insurance premiums.

*The parties should only provide the information and court order requested above, and **must not** use the Tribunal's request as an opportunity to provide any other further evidence, documentation or argument."*

17. The Respondent e-mailed the Tribunal on 6th December 2024 providing a copy of the requested court order, and as regards service charges, stated:

We confirm that the recovery of insurance premiums for the property buildings insurance is in pursuant to The Fourth Schedule, Part I (2) of the Lease.

18. Mr Sukara responded on 9th December 2024 as follows:

I'm paying my insurance premium to the Lessor according to the fourth Schedule Part I of my lease ...

19. His e-mail continued by making various arguments in support of the application, which we have disregarded.

20. The Respondent did not provide any reply by 10th January 2025.

21. The parties have not addressed the specific question we asked, which was to clarify whether they consider the insurance is paid as:

21.1 A service charge;

21.2 An administration charge; or

21.3 Something else

22. The Tribunal has jurisdiction to deal with disputes regarding service charge and administration charges under section 27A and paragraph 5 of Schedule of the 2002 Act respectively. Where there is a dispute regarding payments due under a lease, which payments are neither service charges nor administration charges, the Tribunal does not have jurisdiction to deal with these.

23. To establish whether any provisions in the lease provide for insurance being recovered as a service charge or an administration charge it is necessary to consider not only the separate clause and schedules in the lease, but also to consider how they interact with each other. This has resulted in an extensive citation of the relevant terms, which is set out below.

24. So far as the reminder of the relevant terms of the lease are concerned, clauses 4 to 7 provide:

Lessee's covenants

4. The Lessee covenants with the Lessor that the Lessee will observe and perform the stipulations contained in Parts I and II of the Fourth Schedule and covenants as a separate covenant with the Management Company and with and for the benefit of all other Lessees that the Lessee will observe and perform the stipulations contained in Part II of the Fourth Schedule.

Lessor's covenants

5. *The Lessor (so as to bind itself and its successors in title but so as not to be liable after it parts with its title to the Building) covenants with the Lessee and as a separate covenant covenants with the Management Company that the Lessor will observe and perform the stipulations contained in the Fifth Schedule.*

Management Company's covenants

6. *The Management Company covenants with the Lessor and as a seaparet covenant covenants with the Lessee that subject to and conditional upon payment being made by the Lessee of the Interim Charge and the Service Charge at the times and in the manner herein provided the Management Company will observe and perform the stipulation contained in the Sixth Schedule*

Other provisions

7. *The Lessor and the Management Company and the Lessee agree to the provisions contained in the Seventh and Eighth Schedule.*

25. This is followed by schedules 1 to 9 to the lease, the following of which are relevant to the issues in this case. The Fourth Schedule, Part I of the lease is subtitled "Covenants by the Lessee with the Lessor"

26. Paragraph 2 of the Fourth Schedule reads:

To pay insurance rent

To pay to the Lessor from time to time on demand which the Lessor may make At any time upon production to the Lessee of evidence of payment of the relevant insurance premiums a due proportion (to be conclusively determined from time to time by the Lessor's surveyor) of the cost to the Lessor of effecting and maintaining insurance of the Building pursuant to the Lessor's covenant in that behalf herein contained

27. Paragraph 10 of Part I of the Fourth Schedule is titled "Costs" and reads:

To pay all costs charges and expenses (including legal costs managing agents' and Surveyors' fees and other professional charges) which may be incurred by the Lessor or its agents-

(a) in or in contemplation or in consequence of any application made by or at the request of the Lessee to any planning or other authority or any application by the Lessee to the Lessor for any consent under the covenants in this Lease (whether consent or approval is granted or refused and even if the application is withdrawn) and

(b) for the purpose of or incidental to or in reasonable contemplation of the preparation service and enforcement of any notice under Sections 146 and 147 of the Law of Property Act 1925 or under the Leasehold Property (Repairs) Act 1938 (as amended by the Landlord and Tenant Act 1954) or any other notice schedule or demand (whether or not similar) which the Lessor may reasonably require to be given under the provisions of this Lease notwithstanding that forfeiture (if applicable) is avoided otherwise than by relief granted by the Court and to indemnify the less all against all costs liabilities expenses claims and demands in respect of those applications consents notices and proceedings

28. Paragraph 5 of Part II of the Fourth Schedule states:

To pay service charge

To pay the Interim Charge and the Service Charge to the Management Company in accordance with the provisions of the Seventh Schedule

29. The Fifth Schedule is titled Covenants by the Lessor, and paragraph 5 reads:

To insure

Keep the Building (including the Lessor's fixtures fittings plant machinery and equipment in the Building) insured (unless the insurance shall be vitiated by any act or default of the Lessee or his servants agents licensees or visitors) against loss or damage by fire explosion storm tempest aircraft articles dropped from aircraft (in peacetime) explosion of boilers heating apparatus and associated plant and any other risks which the Lessor considers appropriate with reputable insurers in the full rebuilding and reinstatement cost (including an amount to cover professional fees and other incidental expenses in connection with rebuilding and reinstatement) and insure against third party claims resulting from the use or condition of any part of the Building and in the event of the Building being damaged or destroyed by any of the insured risks layout the insurance moneys as reasonably practicable in repairing rebuilding or reinstating the parts damaged or destroyed (subject to the Lessor being able to obtain any necessary licences consents and permissions)

PROVIDED ALWAYS that-

(i) if for any reason other than default by the Lessor the repair rebuilding or reinstatement of the destroyed or damaged parts becomes impossible the Lessor shall instead hold all moneys paid to it under the insurance policies on trust to pay to the Lessee such proportion (if any) of those moneys as may be agreed in writing between the Lessor and the Lessee or (in default of

agreement) as a Valuer appointed at the request of the Lessor or the Lessee by the President for the time being of the Royal Institution of Chartered Surveyors shall determine as being fair and reasonable having regard only to the relative values of the respective interests of the Lessor and the Lessee in the Flat immediately before the occurrence of the destruction or damage (and any determination made by the Valuer shall be as an expert and not as an arbitrator)

- (ii) the interests of the Lessee and his mortgagee (if any) shall be incorporated in or noted upon the insurance policies if required under the terms thereof*
 - (iii) copies or certified summaries of the policies shall be supplied to the Lessee on demand together with evidence that the policies are in force*
30. The Sixth Schedule is titled Covenants by the Management Company, and sets out the various services the Management Company must provide. In broad terms it is obliged to provide and/or arrange including maintenance and repair of the Building and the common parts. It may employ a managing agents to manage the building if it chooses. There is no provision for the Management Company to arrange insurance.
31. The Eighth Schedule is titled The Service Charge. Paragraph 1 defines service charges as follows:

Service Expenditure

Service Expenditure” means the total of the expenditure (other than expenditure out of any reserve fund) incurred by the management company in any accounting period in:-

- (i) carrying out its obligations under the Sixth Schedule*
- (ii) Administering and/ or employing Managing Agents in respect of the Building (including in this expenditure the costs and expenses of collecting the interim charges and service charges in respect of all parts of the Building)*
- (iii) Employing any Accountant or Surveyor to maintain the books and ledgers relating to the Service Expenditure and the amount of the service expenditure and the amounts payable by all of the lessees of the Building*
- (iv) Doing any other act or thing reasonably and properly done in connection with the Building*
- (v) Paying value added tax or similar tax on all the above expenditure*
- (vi) Paying the costs (including interest and other bank charges) of borrowing money required to meet the above expenditure to the extent to which money in hand by virtue of the Interim Charges received interim in respect of all parts of the Building together with any surpluses brought forward from previous Accounting Periods shall be insufficient for that purpose*
- (vii) The costs of management of the Management Company*

32. The Eighth Schedule continues at paragraph 3 with the following:

Service charge

“The Service Charge” means:

- (1) One quarter (1/4) of the Service Expenditure in so far as the same relates to the Second Floor Common Parts*
- (2) One Sixteenth (1/16th) of the Service Expenditure (other than such as relates to the Second Floor Common Parts and the Third Floor Common Parts) and (for the Accounting Period during which this Lease is executed) a due proportion of the Service Charge for the part of that Accounting Period during which this Lease is executed) a due proportion of the Service Expenditure was incurred in equal daily amounts throughout that Accounting Period)*
- (3) One eighth (1/8th) of the Service Expenditure in so far as the same relates to the car parking area shown hatched yellow on the attached plan number 2*

33. Finally, as regards the terms of the lease, paragraphs 4 to 7 of the Eighth Schedule deal with payment of the service charges, including the interim charge, and necessary adjustment, and certification of service charge costs. These are all expressly dealt with by the Management Company, to which payments are made.

The Issues for the Tribunal

34. The Tribunal has identified that Mr Sukara’s application raises the following issues:

- 34.1 Whether insurance premiums are payable as a service charge or an administration charge.
- 34.2 Whether the insurance claimed for the years 2021, 2022, 2023, and 2024 are payable.
- 34.3 Whether the insurance costs claimed by the Respondent are reasonable.
- 34.4 Whether the £50 court fee claimed by the Respondent in respect of the period 15th January 2024 to 14th January 2025 is payable.
- 34.5 Whether the Tribunal should order the Respondent to pay Mr Sukara the sum of £500 compensation.

35. At section 8 of the Application, Mr Sukara sets out the details of the application as follows:

On the 10th of March 2023 I have received an e-mail by Tricia Purcell informing me that “Our records indicate that we have not received payment (£449.81) of your insurance premium for the year 15th January 2022 to 14th January 2023” When I

sent the proof that the insurance was [paid] for that year and the last several years, their response was that it was paid but the payment was not for the premium 2022- 2023 but for the year 2020- 2021. I always paid insurance premiums on time so I argued if I didn't pay for the year 2020- 2021, why didn't they tell me that earlier, for example, why did they take payment for the year 2021-2022 without informing me that I didn't pay for the previous year? They gave me 7 days to pay £449.81 which I did under protest on the 7th day but they claimed it was too late so they started a court proceedings against me for the amount of £50. The Court date was set but in the meantime I received a letter from the Court that “these proceedings be stayed until further order” after that I haven't heard anything from anyone but this year I received an invoice to pay insurance premium for this year for £410.63 And there was also a charge of £50 without any explanation. I paid £460.63 and when I asked what is £50 for, I was told that was the amount that I owed them.

The Legal Framework

36. The relevant legislative provisions are set out in the Appendix

The Tribunal's Determination

37. The Tribunal reached its decision after considering the oral and written evidence, and taking into account its assessment of the evidence.
38. This determination does not refer to every matter raised by the parties, or every document the Tribunal reviewed or took into account in reaching its decision. However, this doesn't imply that any points raised, or documents not specifically mentioned were disregarded. If a point or document was referred to in the evidence or submissions that was relevant to a specific issue, it was considered by the Tribunal.

The Tribunal's Decision

39. The issue: Whether the insurance premiums are payable as a service charge or an administration charge.
40. The decision: The provisions of the lease dealing with Mr Sukara's obligation to contribute towards the insurance costs do not stipulate these costs are payable as a service charge or administration charge.

Reasons for the Tribunal's Decision

41. The obligation to pay the insurance is expressly provided for at paragraph 2 of Part I of the Fourth Schedule. The title of that paragraph refers to the obligation “*To pay insurance rent*”, therefore seems to reserve payment of the insurance premiums as rent.

42. On its own, that is not conclusive, because the definition of service charges at section 18(1) can include an amount payable as part of the rent. Although not conclusive, it is consistent with other provisions in the lease which treat the payment of insurance premiums as distinct from service charges.
43. Under paragraph 5 of the Fifth Schedule the lease, it is the landlord's obligation (i.e. the Respondent) that is obliged to arrange insurance. The Respondent has fulfilled that obligation: Strollmoor is its managing agent, and it's Strollmoor that issue demands for payment of the insurance premiums. Those demands relate only to insurance, and not to any other type of expenditure in connection with the Property or the Building. This is consistent with the Fifth Schedule.
44. This application is brought against the landlord only, which has sole responsibility for arranging the insurance, paying the premium, and recovering the relevant contribution from leaseholders.
45. Service charges are dealt separately under the lease. Firstly, the obligation to pay service charges is contained in paragraph 5 of Part II of the Fourth Schedule, which provides for these payments to be made to the Management Company, as opposed to the Respondent landlord.
46. The Sixth Schedule sets out the works and services the Management Company is responsible for arranging. Arranging insurance is not part of its responsibilities (as under the Fifth Schedule this is the Respondent's obligation).
47. The Eight Schedule defines the Service Charge, or Service Expenditure, which "*... means the total of the expenditure (other than expenditure out of any reserve fund) incurred by the Management Company ...*" Therefore, this does not include insurance, because insurance is arranged and paid for by the Respondent which recovers the cost from leaseholders.
48. Paragraph 1(iv) of the Eighth Schedule is a wide clause which effectively covers anything done in connection with the Building. However, as stated, the Eighth Schedule relates to services provided by the Management Company, so is not broad enough to cover services which the Respondent is required to provide under the Seventh Schedule.
49. It is evident from the above that the lease has separate mechanisms for the arrangement and payment of insurance on the one hand, and expenditure relating to maintenance and repair of the Property and the Building on the other. The former is reserved under the lease as rent, as distinct from service charges, the latter are expressly referred to as service charges.
50. For these reasons, we have concluded the payment of rent under the lease is not a service charge.

51. We have also considered whether it may be an administration charge as defined by paragraph 5 of Schedule 11 to the Commonhold and Leasehold Reform Act 2002. However, insurance premiums do not fall within any of the categories of paragraphs 1(1)(a) to 1(1)(d) of administration charges.
52. Because this issue goes to whether we have jurisdiction to determine this matter, while noting what the parties have said, we need to satisfy ourselves whether we have jurisdiction to deal with this dispute, and we are not satisfied that we do.
53. Therefore, as insurance costs are not payable either as a service charge or an administration charge under the lease, the Tribunal does not have jurisdiction to deal with the insurance costs under section 27A or paragraph 5 of Schedule 11 of the 2002 Act.

The Tribunal's Decision

54. The issue: Whether the insurance claimed for the years 2021, 2022, 2023, and 2024 are payable.
55. The decision: The Tribunal does not have jurisdiction to determine the payability of the insurance premiums.

Reasons for the Tribunal's Decision

56. Our reasons are set out at paragraphs 41 to 53 above.

The Tribunal's Decision

57. The issue: Whether the insurance costs claimed by the Respondent are reasonable.
58. The decision: The Tribunal does not have jurisdiction to determine the reasonableness of the insurance costs.

Reasons for the Tribunal's Decision

59. Our reasons are set out at paragraphs 41 to 53 above.

The Tribunal's Decision

60. The issue: Whether the £50 court fee claimed by the Respondent in respect of the period 15th January 2024 to 14th January 2025 is payable.
61. The decision: The £50 court fee is not payable.

Reasons for the Tribunal's Decision

62. Under paragraph 10 of Part I of the Fourth Schedule, Mr Sukara covenants to pay all the Respondent legal costs charges and expenses if these are costs incurred by the Respondent “... *for the purpose of or incidental to or in reasonable contemplation of* ... ” the preparation or enforcement of a forfeiture notice. By the same clause, Mr Sukara agrees to indemnify the Respondent in respect of costs liabilities expenses and claims in respect of those proceedings. This is a commonly used wide clause, which in principle, is broad enough to cover this situation, where a landlord issues a debt claim to obtain a determination that that sum is due, and intends to subsequently rely on that judgment debt to bring forfeiture proceedings. Furthermore, the claim was issued because Mr Sukara had not paid a sum that exceeded the prescribed amount, which is £350. Although Mr Sukara paid the amount on 24th March, the payment was after the court issuing fee had been incurred.
63. However, there was no evidence from the Respondent that it issued the claim with a view to subsequently bringing forfeiture proceedings. Furthermore, Mr See also informed the Tribunal that the Respondent did not charge administration fees. The £50 could only be recoverable under the lease as an administration charge, and absent evidence the Respondent reasonably contemplated forfeiture proceedings, and with Mr See’s oral evidence it did not charge administration fees, in our judgment, there is no other provision under the lease by which this sum is payable.

The Applications for Costs and Refund of Fees

The Tribunal’s Decision

64. The Tribunal refuses the Applicant’s request for orders under section 20C of the 1985 Act and paragraph 5A of Schedule 11 to the 2002 Act.

Reasons for the Tribunal’s Decision

65. The Respondent has successfully defended a substantial part of the Application. Accordingly, it would not be just to make an order requiring the Respondent reimburses the Applicant for the Tribunal fees he has paid.

Name: Judge Tueje

Date: 24th January 2025

Rights of appeal

By rule 36(2) of the Tribunal Procedure (First-tier Tribunal) (Property Chamber) Rules 2013, the tribunal is required to notify the parties about any right of appeal they may have.

If a party wishes to appeal this decision to the Upper Tribunal (Lands Chamber), then a written application for permission must be made to the First-tier Tribunal at the regional office which has been dealing with the case.

The application for permission to appeal must arrive at the regional office within 28 days after the tribunal sends written reasons for the decision to the person making the application.

If the application is not made within the 28-day time limit, such application must include a request for an extension of time and the reason for not complying with the 28-day time limit; the tribunal will then look at such reason(s) and decide whether to allow the application for permission to appeal to proceed, despite not being within the time limit.

The application for permission to appeal must identify the decision of the tribunal to which it relates (i.e. give the date, the property and the case number), state the grounds of appeal and state the result the party making the application is seeking.

If the tribunal refuses to grant permission to appeal, a further application for permission may be made to the Upper Tribunal (Lands Chamber).

APPENDIX

18.— Meaning of “service charge” and “relevant costs”

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

Section 19 deals with the reasonableness of service charges, it states:

19.- Limitation of service charges: reasonableness

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

27A Liability to pay service charges: jurisdiction

- (1) *An application may be made to 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,
 -
- (5) But the tenant is not to be taken to have agreed or admitted any matter by reason only of having made any payment.

**Rights of Re-entry and Forfeiture (Prescribed Sum and Period)
(England) Regulations 2004/3086,**

Paragraph 2 - Prescribed sum and period

- (1) The sum prescribed for the purposes of subsection (1)(a) of section 167 (failure to pay small amount for short period) of the Commonhold and Leasehold Reform Act 2002 is £350.
- (2) The period prescribed for the purposes of subsection (1)(b) of that section is three years.

Schedule 11 of the Commonhold and Leasehold Reform Act 2002

Paragraph 1 – Meaning of Administration Charge

- (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.

Paragraph 2 – Reasonableness of Administration Charges

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

Paragraph 4 – Notice in Connection with Demands for Administration Charges

(1) A demand for the payment of an administration charge must be accompanied by a summary of the rights and obligations of tenants of dwellings in relation to administration charges.

(2) The appropriate national authority may make regulations prescribing requirements as to the form and content of such summaries of rights and obligations.

(3) A tenant may withhold payment of an administration charge which has been demanded from him if sub-paragraph (1) is not complied with in relation to the demand.

(4) Where a tenant withholds an administration charge under this paragraph, any provisions of the lease relating to non-payment or late payment of administration charges do not have effect in relation to the period for which he so withholds it.

Paragraph 5 – Liability to Pay Administration Charges

(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).