

# FIRST-TIER TRIBUNAL PROPERTY CHAMBER (RESIDENTIAL PROPERTY)

Case reference	:	CAM/00ME/LSC/2024/0013
Property	:	22 Crauford Rise, Maidenhead, Berkshire, SL6 7LS
Applicant	:	1. Daisy Dance (Flat 1) 2. Jasdeep Sandhu (Flat 4)
Representative	:	Daisy Dance
Respondent	:	1. Julia Beer 2. Derrik Timms
Representative	:	Julia Beer
Type of application	:	For the determination of the liability to pay service charges under section 27A of the Landlord and Tenant Act 1985
Tribunal members	:	Judge Adcock-Jones Dr Jan Wilcox FRICS
Venue	:	Via CVP
Date of hearing	:	13 February 2025
Date of decision	:	06 March 2025
		DECISION

## DECISION

## **Decisions of the tribunal**

- (1) The Tribunal determines that the sums payable by the Applicants in respect of service charge years 2020 to 2023 inclusive are as set out below.
- (2) The Tribunal allows the application to make an order under section 20C of the Landlord and Tenant Act 1985 ("the 1985 Act") and 5A of Schedule 11 of the Commonhold and Leasehold Reform Act 2002.
- (3) The Tribunal makes an order under Rule 13(2) of the Tribunal Procedure (First-tier Tribunal) (Property Chamber) Rules 2013 ("the Tribunal Rules") in respect of reimbursement of the Applicant's Tribunal fees.

## The application

- 1. The Applicants seek a determination pursuant to section 27A of the 1985 Act as to whether service charges are reasonable and payable in respect of the service charge years 2021/2022 and 2022/2023.
- 2. The Applicants further sought an order to limit the recovery of the Respondent's costs of the proceedings through any service charge and/or administration charge and for an order for reimbursement of their Tribunal Fees pursuant to rule 13(2) of the Tribunal Rules.

## The hearing

- 3. A remote hearing was held by CVP video, none of the parties having objected to this form of hearing. The Applicants were represented by the First Applicant. The Respondent was represented by the First Respondent.
- 4. The approach taken by the Tribunal was to allow each party to make opening submissions and then to examine each disputed service charge item in turn with the parties' representatives addressing the Tribunal on each item with their clients' position. Witnesses were not formally called, although all parties helpfully assisted the Tribunal in answering any additional questions or providing further information during the course of the hearing.

# <u>The background</u>

5. The Applicants are the leaseholders of Flats 1 and 4 of the property known as 22 Crauford Rise ("the Building"). The Building is described as

a converted building with five flats and Flat 5 (the loft) is held by the Respondent freeholders.

- 6. No-one requested an inspection of the Property, and the Tribunal did not consider that one was necessary, nor would it have assisted with the issues in dispute.
- 7. The Lease requires the landlord to provide services and the tenant to contribute towards their costs by way of a variable service charge. The specific provisions of the lease will be referred to below, where appropriate.
- 8. The Application for determination of payability of service charges were made on 14 February 2024 and received by the Tribunal in the same month. Directions were issued by Judge Wyatt on 26 September 2024.
- 9. An earlier Tribunal case number CAM/00ME/LIS/2021/0012 had been brought by the First Applicant against the First Respondent in relation to various service charges and determination made on 3 February 2022, hereinafter referred to as "the 2022 determination".
- 10. A claim in the County Court has also been issued under claim number 408MC645 on 23 May 2023 and has been stayed pending the Tribunal's determination.

#### **Procedural Issues**

- 11. The schedules of dispute prepared by the parties were defective insofar as the figures shown unhelpfully referred to joint sums rather than sums as demanded of the Applicants for each respective year in dispute. Updated schedules were provided the day before the hearing.
- 12. For future reference, it greatly assists the Tribunal to have the actual figures in dispute set out in the schedules for the Tribunal to easily deal with questions of payability and reasonableness.
- 13. The directions provided for a bundle to be prepared and for documents not to be sent to the Tribunal on a piecemeal basis. Regrettably, emails subsequent to a first bundle with copious attachments were sent and the Tribunal had to send two emails in addition to the directions for a completed bundle to be sent, which was eventually sent two days before the hearing.
- 14. The Tribunal noted that this was not the first occasion that the parties had been before the Tribunal and that similar issues had arisen during the earlier case. The parties were reminded of the need to comply with directions not only to assist the Tribunal in its consideration of the issues between the parties but also to avoid the risk of a case being struck out under the 2013 Rules.

- 15. After the hearing, on 18 February 2025, the Respondent sent an email to the Tribunal stating that she wished to rescind her decision not to address costs as requested, that she found the hearing challenging due to a lack of properly prepared bundle and a letter dated 3 October 2022 sent to HC Block and Estate Management Ltd asserting that the situation with the previous managing agents was not adequately represented.
- 16. Whilst the Tribunal noted the contents of this email, the Tribunal addressed the state of the bundle in the hearing noting that it was incumbent on both parties to ensure all documents upon which they soought to rely were included at the hearing. The Tribunal repeats that it will not deal with the matter on a piecemeal basis, nor allow the matter to be addressed further by email after the hearing without the Tribunal's permission.

#### The issues

- 17. At the start of the hearing the Tribunal identified the relevant issues for determination as follows:
- I. Whether disputed relevant costs were reasonably incurred and service charges are payable in respect of them;
- II. Whether the landlord complied with the consultation requirements under section 20 of the 1985 Act;
- III. Whether an order under section 20C of the 1985 Act and/or paragraph 5A of Schedule 11 to the 2002 Act should be made;
- IV. Whether an order for reimbursement of application/hearing fees should be made.
  - 18. The relevant legal provisions are set out in the Appendix to this decision.

#### <u>The Lease</u>

- 19. A copy of the First Applicant's lease dated 24 December 1981 was provided as part of the bundle and all parties accepted that similar terms applied to the second Applicant's lease.
- 20. Of note is clause 3(2)(A) in which the lessee covenants to pay to the lessor the sum of £150.00 per annum ("the maintenance charge") as a contribution towards the expenditure incurred by the lessor in carrying out the obligations or exercising the rights set out in clause 4 (or a higher sum if notified in advance).
- 21. Clause 3(2)(B) stipulates that this sum is payable on 1 October each year and recoverable as rent arrears.

- 22. Clause 3(2)(C) specifies that if the "annual cost" exceeds the aggregate of the sums paid by the lessees, as long as the lessor serves a certificate of the lessee, the lessee must pay a proportionate part of that sum referred to as "the excess contribution".
- 23. Clause 3(2)(D) sets the accounting period as between 1 October in each year and 30 September in the following year. Further that the maintenance charge and excess contribution shall amount to 15% of the lessor's "annual cost".
- 24. Clause 4 sets out the lessor's covenants relating to insurance, repair, decoration, payment of rates, employment of contractors and managing agent, and the creation of a reserve fund.

#### **Determination**

- 25. The Tribunal determined that the application was to be considered under section 19(1) of the 1985 Act.
- 26. Section 19(1) limits the amount payable for a service charge to the extent that it is "reasonably incurred" and that services or works are "of a reasonable standard".

Disputed Item	Total Cost 2021/2022	Total Cost 2022/2023
Roof Works	£4,876.00	£2,016.00
Buildings Insurance	£1,044.00	£1,505.00
Drains	£537.00	-
Various Roof Repairs	£432.00	-
Management Fee	£362.00	£190.00

27. The disputed service charge items, as set out in the Applicants' claim are listed in the table below.

28. The Tribunal notes the importance of service charges being paid promptly by leaseholders and not being left in arrears as this potentially impacts upon other leaseholders and the management of the Building.

#### **Roof Works**

29. The Applicants were concerned that the section 20 consultation procedure had not been followed. They raised concerns about the alleged neglect of Flat 5 owned by the Respondents and were concerned that a

10-year guarantee had not been used. The Respondent used different roofers so there was a lack of consistency and a lack of transparency as bills were sent without explanation.

- 30. The Applicants referred to the surveyor's report included within the bundle in which it was noted that the roof was in a fair condition, although the Tribunal notes that the report went on to say that it would benefit from being entirely replaced. The Applicants understood that the roof had been replaced in 1992 yet now the roof needed to be replaced again. They did not understand the invoices they had been sent notwithstanding their requests for further information.
- 31. In terms of the consultation procedure, they had not been given a statement on proposals or involved in consultation. They believed that there was a connection between one of the contractors and the First Respondent. The further complaint was that the First Respondent was not present to oversee work being done and that she would often ask the leaseholders to do this on her behalf.
- 32. The First Respondent noted that she was not fully prepared for all the issues that had been raised and the Tribunal was referred to various quotations within the bundle and she asserted that the section 20 process had been followed and had been submitted in the proper format. The leaseholders had been invited to follow the process and this had led to her eventually appointing a surveyor, although she acknowledged in hindsight she should have acted more promptly, and it would have been prudent to have done so.
- 33. The First Respondent clarified that the roof had never been replaced in 1992 as asserted by the Applicants as the leaseholders at the time had declined to do so. Any neglect of her own flat was denied and blamed on tenant conduct at the time.
- 34. The Tribunal specifically asked the First Respondent to direct them within the bundle to the evidence of the section 20 consultation process being followed. The Respondent could not recall exactly what she had done but did assert that she had followed procedure and had sought advice from LEASE and a solicitor at the time.
- 35. She stated that she was not going to make a mess of the matter and did as she was supposed to do in to far as she obtained quotes, sent them out for comment and asked for suggestions from the leaseholders. The Respondent noted that one contractor had never responded to her correspondence and directed the Tribunal to emails within the bundle to this effect. However, it was her position that the section 20 consultation process had been followed.
- 36. The Tribunal notes that the directions at paragraph 3 set out the need for the Respondents to apply for dispensation pursuant to section 20ZA of the 1985 Act; however, no such application was made on the basis that

the Respondents asserted that they had followed the consultation requirements.

- 37. The basic principle of recoverability under section 20 is that the consultation requirements must be complied with and if they are not complied with or if compliance has not been dispensed with by the tribunal, the amount of the relevant costs incurred on carrying out the works or under the agreement which may be recovered through the service charge is limited to the "appropriate amount".
- 38. The application of the provisions is regulated by the Service Charges (Consultation Requirements) (England) Regulations 2003. The "appropriate amount' in respect to the qualifying works is an amount which results in the relevant contribution of any tenant exceeding £250.
- 39. The relevant contribution is the amount that the tenant may be required under the terms of the lease to contribute by way of service charge to relevant costs incurred on carrying out the works or under the agreement. Section 20ZA(2) provides that qualifying works are works on a building or other premises.
- 40. In effect there is a three stage process; (1)notice of intention with an opportunity for tenants to make observations about the proposals; (2) a notice of proposal to enter into an agreement with details of estimates provided or being made available and a further period for observations and (3) after entering into an agreement a notice to the tenant giving reasons, summarising observations made and the landlords response to them.
- 41. The Tribunal also notes the case of *Francis v Phillips* [2014] EWCA CIV 1395 in which the Court of Appeal provided questions and factors that may assist the Tribunal and its approach to separating out sets of work to determine the issue objectively. What is a single set of qualifying works will be a question of fact and degree in each case.
- 42. The Tribunal was concerned by the Respondents' inability to direct the Tribunal to any evidence that the consultation process had been followed beyond mere assertion that this would have been done on her part. The Tribunal was also concerned that further quotations or details about additional works did not appear to have been sent to the leaseholders.
- 43. Accordingly, whilst the Tribunal was satisfied that works had been carried out and ordinarily the leaseholders would be liable to pay for such works, the Tribunal was not satisfied that the consultation requirements under section 20 had not been complied with and therefore has to limit recoverability.
- 44. The Tribunal therefore determines that the sums of £250.00 for each Applicant for 2021/2022 and £250.00 for each Applicant for 2022/2023 are payable and reasonable.

#### **Building Insurance**

- 45. The Applicants were concerned that, despite requests, they had not been provided with all documentation relating to the insurance. They had requested proof of a claim which had been made against the insurance and referred to within the documentation that they had seen.
- 46.It was not until recently, as the Tribunal understood as part of the disclosed documents within the bundle, that they had been provided with the documents. They had never received proper breakdowns and did not understand the reference to storm damage.
- 47. The First Respondent had invited the leaseholders to source a cheaper insurance and the First Applicant had investigated this. The Tribunal was referred to various insurance breakdowns in the bundle but was concerned that the Respondents were delegating an important management task of arranging for insurance for the building to the leaseholders and the Tribunal echoes the concerns in the 2022 decision that it is for the Respondents to test the insurance market and act promptly. It is hoped that moving forwards, professional advice is sought by the Respondents regarding insurance rather than relying on leaseholders to research alternative providers.
- 48. The Tribunal was also concerned that fees were applied to the insurance policies due to the Respondents' poor credit and that such fees were being passed on to the leaseholders. The First Respondent, in respect of the reference to storm damage within the bundle, explained that this was an error and referred the Tribunal to correspondence that the claim related to wear and tear from the roof.
- 49. The Tribunal notes that the Lease makes provision for insurance under Clause 4(1) and therefore a sum is payable. The Tribunal noted that the premium was higher for 2021/2022 due to issues with the repair of the roof although clearly there is a need for insurance and this has been paid by the Respondents so the Applicants are liable for payment of their contribution. However, the Tribunal does not consider it reasonable that the leaseholders should pay any associated fees in the years challenged as a result of the Respondents' poor management or poor credit.
- 50. The Tribunal therefore determines that the sums of £512.18 (being £3,414.54 x 15%) for 2021/2022 and £181.87 (being £1,212.48 x 15%) for 2022/2023 are payable and reasonable for each Applicant.

## <u>Drains</u>

51. The Applicants were concerned that the works had, for the purposes of invoicing, been split up and carried out by multiple people and they had been given no notice of the works being carried out.

- 52. The First Applicant reported damage to her garden and the Tribunal confirmed that it did not have jurisdiction to deal with such issue, it being within the remit of the County Court. They asserted the lack of the Respondents' presence during the works and management.
- 53. The First Respondent drew the Tribunal's attention to the invoices for the works carried out to the drains explaining the difference between companies instructed related to the urgency of the issue, giving the example that in one case of drain clearance, effluent was leaking and the pipe had been full of baby wipes. The First Respondent also advised of the negotiation in price with AO Drains to £250.00 held in April 2022 as Thames Water had advised they had not carried out works to the drains properly. The Tribunal was shown correspondence in this respect, although again, the Tribunal notes that the dispute with this contractor may have been avoided if a managing agent had been appointed.
- 54. The Respondents accounts relating to drains were disorganised. The sums claimed are 28 December 2021 £213.60, 29 January 2022 £213.60, 01 March 2022 £320.00, 12 April 2022 £400.00 and 27 April 2022 £858.60, although the Tribunal notes that as a deposit was paid, the latter sum actually paid was £1,143.60.
- 55. The total cost of all drainage works was £2,290.80 of which each Applicant would pay £343.62. However, given that there were two incidents of blockages in December 2021 and January 2022, the Tribunal considers it likely that a managing agent would then subsequently instructed a contractor who would have found the break in the pipes.
- 56. The Tribunal therefore does not consider it reasonable that the Applicants are liable for the two further emergency jetting invoices which total  $\pounds$ 720.00 particularly where it was acknowledged that a dispute had arisen over this work carried out.
- 57. Accordingly, the Tribunal, in noting the Third Schedule, Clause 2 of the Lease which permits access where there is an emergency, determines that the sum of £235.62, being £1,570.00 x 15%, for each Applicant for the year 2021/2022 is payable and reasonable.

#### Various Roof Repairs

- 58. The Applicants repeated their concerns as raised with the general roof works and the Respondent stated that these sums related to inspection and surveyor's fees from Harewood Independent Surveyors, a report by whom the Tribunal was directed in the bundle.
- 59. The sum sought against the Applicants relates to 15% of the surveyors' report and subsequent visit.

- 60. Whilst often the case in such matters, the Applicants regrettably did not receive clarification of the nature of these charges until during the hearing itself was given by the Respondent, highlighting the need for full detail to be given to leaseholders to resolve any concerns at an earlier juncture.
- 61. Upon such clarification being provided, both Applicants agreed that the sums were reasonable and the Tribunal therefore determines that the sums of £216.00 for each Applicant for the year 2021/2022 are payable and reasonable.

#### Management Fees

- 62. The Tribunal determines that the sums of  $\pounds$ 75.00 for each service year in dispute, being 2021/2022 and 2022/2023 are payable and reasonable.
- 63. The Tribunal was not pointed to any significant evidence of management functions being carried out and did not consider that the First Respondent's assertion that she visited possibly only four times a year sufficient, irrespective of the First Respondent's personal circumstances, and highlighted the need for professional management of the Building.
- 64. The Tribunal was also concerned by the pattern of delegating management matters, such as attending to agents/contractors whilst at the Building carrying out works, to another leaseholder in return for a discount on his management fee, or sourcing competitive insurance quotations as noted earlier in this determination.
- 65. The Tribunal also notes that there is a need for a robust Planned Preventative Maintenance Plan, which even with the appointment of managing agents on 15 March 2024 is not yet in place. The Lease makes provision for a reserve fund and such plans can assist with the future management of issues affecting this type of building, like the roofing replacement issue.
- 66. As noted, the Lease enables the Respondents to employ a firm of managing agents. Despite this apparently being an issue between the parties in 2022, as can arise in buildings where the freeholder resides with the leaseholders, a managing agent had not been appointed until 15 March 2024 despite the acknowledgement of the prudency of such at paragraph 79 of the 2022 determination. The Respondents had continued to charge a management fee fixed at 15%, of which no provision was made in the Lease for such figure, the only similar provision being relating to Clause 3(2)(D) again on the basis that this was historically done.
- 67. The Tribunal notes that the historic practice of charging 15% of annual expenditure does not comply with best practice as outlined in the RICS Code of Practice Service charge residential management Code and

additional advice to landlords, leaseholders and agents and instead, a fixed fee should be levied to avoid future disputes.

- 68.The Tribunal again notes the criticisms levelled at the Respondents at paragraph 81 of the 2022 determination and repeats the contention at paragraph 82 that it would not be appropriate to award £0.00 for the fee.
- 69. However, the Tribunal remains satisfied as determined in the 2022 determination at paragraph 83 that an appropriate figure for the management services provided for each year to the Applicants remains at  $\pounds$ 75.00 against a figure of  $\pounds$ 200.00 per flat for a full management service.
- 70. Accordingly, the Tribunal determines that it is reasonable for the Applicants to pay a service charge of  $\pounds$ 75.00 each for each service charge year of 2021/2022 and 2022/2023 to the Respondents.

# Application under section 20C and paragraph 5A of Schedule 11 and for refund of fees

- 71. The Applicants applied for an order under section 20C of the 1985 Act to limit recovery of the Respondent's costs of the proceedings through the service charge and under section 5A of Schedule 11 of the Commonhold and Leasehold Reform Act 2002 through administration charges.
- 72. Given the determination set out above, the Tribunal considers that there should be an order under section 20C of the Landlord and Tenant Act 1985 and paragraph 5A of Schedule 11 of the Commonhold and Leasehold Reform Act 2002 in favour of the Applicants.
- 73. The Tribunal repeats the criticisms of the Respondents' history of mismanagement as noted at paragraph 172 and 173 of the 2022 determination noting that regrettably not much improvement has taken place, notwithstanding the appointment of Leetes on 15 March 2024.

- 74. As previously determined, the Tribunal again considers it just and equitable for such orders to be made and repeats that the Respondents' costs (if any incurred) should not be considered as relevant costs to be taken into account in determining the amount of any service charge or administration charge payable by the Applicants.
- 75. It therefore follows that the Tribunal considers that it is proper for an order to be made in the exercise of its discretion to order reimbursement of the Applicants' Tribunal fees for the application and hearing fees in the sum of  $\pounds$ 300.00.

## **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 Firsttier 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 of relevant legislation

## <u>Landlord and Tenant Act 1985 (as amended)</u> <u>Section 18</u>

- (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.

## 20 Limitation of service charges: consultation requirements

(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) except in the case of works to which section 20D applies, 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 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 postdispute 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 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.