FIRST-TIER TRIBUNAL
PROPERTY CHAMBER (RESIDENTIAL PROPERTY)

Case References	:	**LON/00BK/LSC/2025/1204**
Property	:	**11 Chapel Street, London SW1X 7BY**
Applicants	:	**(1) Christopher Thomas Drew** **(2) Cheryl Drew**
Representative	:	**Not Represented**
Respondent	:	**Grosvenor Estate Belgravia**
Representative	:	**Ranjit Bhose KC** **Instructed by Trowers & Hamlins LLP**
Type of Applications	:	**For the determination of the reasonableness of and the liability to pay service charges**
Tribunal Members	:	**Judge S. J.Walker** **Tribunal Member P. Morris FRICS**
Date and Venue of Hearing	:	**22 June 2026 – Alfred Place**
Date of Decision	:	**20 July 2026**

DECISION

Decisions of the Tribunal

(1) The Tribunal determines that the costs of insurance premiums for the property are payable by the Applicants on demand.

(2) The Tribunal determines that the following sums are payable by the Applicants in respect of insurance costs in respect of each of the years ending on 24 December;

2018	**£4,582**
2019	**£4,564**
2020	**£4,613**
2021	**£4,817**
2022	**£5,477**
2023	**£8,128**
2024	**£8,167.66**
2025	**£8,169.35**
2026	**£7,946.88**

(3) 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 lessees through any service charge is refused.

(4) 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 refused.

(5) The application for an order 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 Applicants in bringing this application is refused.

Reasons

The Application

1. The Applicants seek a determination pursuant to s.27A of the Landlord and Tenant Act 1985 ("the 1985 Act") as to the amount of service charges payable by them in respect of the nine service charge years starting with that ending on 24 December 2018 and concluding with that ending on 24 December 2026.

2. The Applicants also seek an order for the limitation of the landlord's costs in the proceedings under section 20C of the 1985 Act and an order to reduce or extinguish their 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.

3. The application was made on 24 November 2025. On its face one single item of dispute is identified for each year, namely the charge made in respect of insurance. Although there is some suggestion in the Applicants' statement of case that there is also a dispute about legal costs being pursued by the Respondent as a charge under the terms of the lease (see pages 182-183), they say there that the Applicants concede that this is "*not strictly a part of this application*" and this matter was not pursued by them at the hearing.

4. Directions were issued on 19 January 2026 which, among other things, provided for the preparation of bundles of documents by the parties. These directions were complied with and the Tribunal had before it an agreed bundle which comprised 310 pages. References to page numbers in this decision are to the numbers printed on this bundle.

5. The Tribunal also had skeleton arguments on behalf of both parties, and a bundle of authorities from the Respondent.

6. The Applicants also sought to rely on 23 pages of additional evidence in the form of a recent insurance quotation which they sent to the Tribunal on 19 June 2026. The Respondent objected to this being considered by the Tribunal on the grounds that (a) it was served too late, as the directions required alternative quotes to be provided by the Applicants by 23 March 2026, and (b) on the grounds that, in any event, it was not probative of anything relevant to the application. The Applicants accepted that the material was late and also that they had sought it only a few weeks ago. However, given the Respondent's assertion that the material was, in any event, of little or no assistance to the Applicant's case the Tribunal concluded that it was in the interests of justice to permit the Applicants to rely on it to the extent that it would bear any weight.

7. The relevant statutory provisions are set out in the Appendix to this decision.

8. The application is concerned only with the costs of insurance. The Tribunal had regard to the Upper Tribunal's decision in the case of <u>COS Services Ltd v Nicholson</u> [2017] UKUT 382 (LC), reported at [2018] L & TR 5, which was included in the Respondent's bundle of authorities. In that case the premiums charged were more than four times those relied on by the tenants for comparable policies and no explanation for the discrepancy was provided. The Upper Tribunal held as follows;

> "*It will not be necessary for the landlord to show that the insurance premium sought to be recovered from the tenant is the lowest that can be obtained in the market. However, the Tribunal must be satisfied that the charge in question was reasonably incurred. In doing so, it must consider the terms of the lease and the potential liabilities that are to be insured against. It will require the landlord to explain the process by which the particular policy and premium have been selected, with reference to the steps taken to assess the current market. Tenants may, as happened in this case, place before the Tribunal such quotations as they have been able to obtain, but in doing so they must ensure that the policies are genuinely comparable (that they "compare like with like"), in the sense that the risks being covered properly reflect the risks being undertaken pursuant to the covenants contained in the lease.*"

<u>The Background</u>

9. The property is a 6-bedroom 6 storey townhouse in Belgravia.

10. There was no dispute that the Applicants hold the property under an underlease from the Respondent for a term of 55 years and 208 days from 20 May 1985. The lease is at pages 29 to 57.

The Hearing

11. Both applicants attended the hearing. They were not represented. The Respondent was represented by Mr. Bhose KC. The Tribunal heard evidence from the Applicants and from the Respondent's witnesses Mr. O'Connell and Mr. Martin.

Matters in Dispute

12. The only matters in dispute between the parties relate to the charges made by the Respondent in respect of insurance cover. The sums sought by the Respondent in respect of each of the years in question were as follows;

Year	Annual Policy Premium	Annual Terrorism	Total
2018	£3,356	£1,226	£4,582
2019	£3,325	£1,239	£4,564
2020	£3,360	£1,253	£4,613
2021	£3,577	£1,240	£4,817
2022	£4,199	£1,278	£5,477
2023	£6,715	£1,413	£8,128
2024	£6,627.75	£1,479.91	£8,167.66
2025	£6,621.39	£1,527.96	£8,169.35
2026	£6,521.15	£1,424.93	£7,946.88

13. There was no dispute that insurance cover was in fact provided, and the certificates of insurance are all in the bundle. There was also no dispute that the Respondent had demanded these sums. It was also accepted by the Applicants that charges for insurance cover were service charges within the definition in section 18(1)(a) of the 1985 Act.

14. The Applicants' case is set out in their statement of case (pages 173 to 174) and amplified in their joint witness statement at pages 178 to 184. In summary the substance of their case was as follows;
    (a) the lease provides that insurance costs should be charged quarterly and not as an annual lump sum;
    (b) that the costs of the insurance provided are excessive and unreasonable;
    (c) that the commission charged is excessive; and
    (c) that it is inappropriate for the broker through whom cover is obtained, Realty Insurances Ltd., is an entity owned by the Respondent.

How Should Charges for Insurance Be Made?

15. The Applicants contention that the insurance costs should be charged quarterly is based on the following. In the reddendum (clause 1) of the lease it states as follows;

> "*Paying therefor yearly and in every year and so in proportion for a less time than a year during the said term hereby granted the rent and additional sums hereinafter mentioned such rent and additional sums to be paid .... in advance on Lady Day, Midsummer Day, Michaelmas Day and Christmas Day*". (page 33)

16. The Applicants case is that the charges made for insurance are one of the "additional sums hereinafter mentioned" and so the charges must be made quarterly.

17. The Respondent relied on clause 2(I) of the lease. In this the Applicants covenant to;

"*(a)* *Pay the said rent and additional annual sums hereinbefore reserved and such proportionate part thereof as aforesaid at the time and in the manner at and in which the same are hereinbefore reserved and made payable without any deduction except as aforesaid;*

(b) *Pay to the landlord on demand such amount as shall be paid by the landlord …. by way of annual premium or premiums for insuring the demised premises*" (page 35)

18. Their case was that the terms of the lease are clear and explicit and that insurance premiums are payable on demand.

19. The Tribunal decided that the Respondent's interpretation is correct. It is clear from the terms of the lease that the "additional sums" are those set out in clause 1, which goes on to make express provision for additional rent to be payable so that the total payable rent is equivalent to 15% of the open market rental value of the property (page 33). This conclusion is supported by the fact that clause 2(I)(a) of the lease provides for the "additional annual sums" already reserved to be paid in the way already set out, but clause 2(I)(b) then makes immediate different provision for the payment of insurance premiums. For the Applicants' argument to be correct the opening words of clause 2(I)(b) *"pay to the landlord on demand"* could have no effect, which cannot be the case.

20. For this reason, the Tribunal was satisfied that the Applicants were required to pay for insurance "on demand".

<u>Burden of Proof</u>

21. Before considering the remaining issues, it is first necessary to consider a further argument put forward on behalf of the Respondent by Mr. Bhose. His argument was that the Applicants have not discharged the evidential burden of establishing that the insurance costs sought by the Respondent are unreasonable. He relied on the Court of Appeal decision in the case of <u>Spender and others -v- FIT Nominee Ltd. and another</u> [2025] EWCA Civ 1578 reported at [2026] 1 WLR 2536. This deals with the burden of proof in service charge cases. The law as regards burden of proof is summarised at para 79 of the judgment of Zacaroli LJ. This makes it clear that whilst the landlord has a legal burden of establishing that any cost was reasonably incurred, pragmatism requires the tenant to both put a particular charge in issue and, additionally, establish "*a prima facie case that it was not reasonably incurred*".

22. Mr. Bhose's case was that, for the first 8 years in dispute at least, the Applicants had produced no evidence at all to show that the insurance costs were unreasonable. They had certainly not produced like for like comparables as envisaged in the case of <u>Cos Services</u>.

23. The Applicants argued that their statement of case showed that there were genuine issues in respect of the extent of cover, the use of a block policy, the connection between the Respondent and their broker, and the cost of commission, so as to raise a prima facie case.

24. The Tribunal's view was that, whilst the Applicants had drawn attention to particular aspects of the insurance obtained by the Respondents, and had raised some valid questions, these did not amount to evidence and, in any event, the evidence that the Tribunal did in fact have negated those arguments. It followed that, in its view, certainly for the first 8 years, the Applicants had not shown that there was a case to answer.

25. However, the Tribunal, recognising that this conclusion may be erroneous, also considered that it was in the interests of justice to consider the case on the basis that there was, indeed, a case to answer and to weigh the arguments put forward by the Applicants in any event. This consideration is set out below, taking each of the Applicants' criticisms in turn.

The Applicants' Challenges

Group Policy

26. At para 8.1 of their witness statement (page 180), the Applicants complain that the insurance is not calculated on a fair open market basis referable only to their property, but is obtained under a group policy aimed at covering all of the Respondent's substantial property holdings. They argue that they are being asked to contribute to a proportion of other, higher, risks arising in other of the Respondent's properties. Particular emphasis was placed on the fact that the certificates of insurance show that cover extends to the landlord's contents (see, for example, page 238 which makes express reference to £20,000 of cover for landlord's contents). However, the Applicants made it clear that they did not take any issue about the inclusion of additional terrorism cover.

27. The Respondent's case relied on the evidence of Mr. O'Connell, an associate director employed by Realty Insurances Ltd, the Respondent's broker, whose witness statements are at pages 245 to 250 and 268 to 272 and who also gave oral evidence.

28. Mr. O'Connell's uncontroverted evidence was that the Respondent's block policy embraces about 1,100 properties, of which some 500 are residential. The premiums for each property insured are based on the type of occupation, eg residential, commercial etc., and the building sum insured is specified on a property by property basis. The benefits of a block policy are found in economies of scale. Discounts on premiums are obtained because the total sums being paid are larger and the cost of claims can be spread across the portfolio. Realty is a company which is linked to the Respondent. About 60% of the properties insured are the Respondent's, the remaining 40% are other clients.

29. As explained by Mr. O'Connell, the block policy was subject to a competitive tender for the December 2022 renewal, which resulted in an increase in premiums. Realty regularly reviews the terms available in the market and

benchmarks policies. Benchmarking exercises were carried out for this property in 2024 and 2025 which did not reveal any better value cover.

30. Mr. O'Connell's response to the fact that the cover for the property included £20,000 in cover for the Respondent's contents is at para 20 of his first witness statement (page 249). He states that this is a common provision across all the Respondent's properties under the block policy and shows on every certificate for each policy. However, there is no premium charge for this cover and there would be no saving if this were removed. He re-iterated this in his oral evidence.

31. Mr. O'Connell also explained that, given the size of the block policy and the work required for those tendering for such a contract, competitive tendering did not take place every year as this would tend to dissuade tenders from those who fear they may not get the business.

32. Mr. O'Connell also explained in his oral evidence that there was an uplift of 50% for re-instatement costs. This uplift reflected the fact that there is an inevitable delay between a property being destroyed and the work being completed, especially when dealing with properties of the kind in the Respondent's portfolio, during which costs are likely to rise. Whilst he accepted that 50% was at the upper end of what one would expect, he would never recommend anything less than 35 to 40%.

<u>Commission</u>

33. The Applicants also challenged the rates of commission charged by the Respondent's insurers and their link to the Respondent.

34. Mr. O'Connell's further uncontroverted evidence was that Realty undertake additional activities which justify the payment of commission, such as claim handling and risk management. He was clear that Realty receive no hidden commission or fees. His oral evidence was that the commission charged to clients other than the Respondent were higher than those passed to the Respondent and that the commission rates they charged were lower than found in the market generally. Also, commission rates have reduced over time.

<u>Comparable Evidence</u>

35. In their statement the Applicants state that in the period prior to the years in dispute they were able to obtain insurance more cheaply. Also, they refer to more recent correspondence in respect of insurance for 2026. They also rely on the additional documentation provided shortly before the hearing.

36. The Respondent's response to this is that the evidence has no probative value because what has been provided is not evidence of the cost of like for like insurance.

The Tribunal's Conclusions

37. In reaching the conclusions set out below the Tribunal has had regard to the approach set out in <u>Cos Services</u>.

38. The obligation to insure is at clause 7(II) of the lease (page 53). It extends to insuring against loss or damage by fire and any other insurable risks which the landlord may require. The Tribunal was satisfied that the cover provided fell within what was reasonable for the landlord to insure against.

39. Whilst it is unfortunate that the insurance certificates refer to cover which may not be reasonable for the landlord to charge for, namely insurance of its own contents, the Tribunal accepted the evidence from the Respondent's witness that this cover was provided free of charge. Although the Applicants argued that such altruism was unlikely from professional insurers, the extent of this additional cover, at £20,000 per property, is extremely small when compared with the totality of a block policy covering some 1,100 properties.

40. Whilst the uplift for re-instatement costs was towards the upper range of what is reasonable – Mr. O'Connell described it as generous – it was still within that range.

41. It follows that the Tribunal was satisfied that the extent of the cover was reasonable.

42. On the basis of Mr. O'Connell's evidence the Tribunal was also satisfied that it was reasonable for the Respondent to insure by means of a block policy, as this provides savings by virtue of economies of scale. It was satisfied that the Respondent's insurers properly assessed the market and that the process by which cover was obtained was reasonable.

43. With regard to commission, the Tribunal accepted that Realty were entitled to charge commission, and accepted the evidence that that commission was both lower than the market generally and also lower than for clients other than the Respondent.

44. This just left the comparable evidence adduced by the Applicants. In the view of the Tribunal this did not amount to evidence of like for like cover and so the evidence is of no weight. Dealing with the specifics, the Tribunal noted as follows.

45. At pages 216 to 220 there are documents from Elite Home Insurance showing cover for 2012 at a cost of £4,289.10. However, no policy wording has been provided so this cannot be shown to be a like for like policy.

46. At page 236 there is an e-mail from Fidus Insurance Brokers with a quote of £5,565.18. However, again there is no policy wording nor a clear policy schedule so this too cannot be treated as a like for like comparison.

47. In the additional material submitted by the Applicants there is a covering letter from Gallagher insurance brokers enclosing a quotation from AXA Insurance plc. From the quotation summary from AXA it is clear that the sum that would be insured for the building would be £1,503,750 with a declared reinstatement value of £1,203,00. Again, no policy wording is provided. The Respondent's evidence is that the property was revalued in 2024 by Gardiner & Theobald with a re-instatement value of £3,796,667 (see para 16 at page 48). This is more than

3 times the figure given in the AXA quotation. It is clear that the latter does not amount to a like for like comparison and carries no weight.

48. Bearing in mind everything set out above the Tribunal was satisfied that the insurance charges were reasonably incurred and of a reasonable amount.

49. It follows that the Tribunal concluded that the sums reasonably payable by the Applicants in respect of insurance for each of the years in question are as set out in paragraph 12 above.

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

50. In their application the Applicants applied for an order under section 20C of the 1985 Act and for an order under para 5A of Schedule 11 of the Commonhold and Leasehold Reform Act 2002.

51. The Tribunal concluded that as they had failed in the substance of their application there was no basis for making an order under either provision.

52. Similarly, there was no basis for an order under rule 13(2) of the Tribunal Procedure (First-tier Tribunal) (Property Chamber) Rules 2013 for the re-imbursement of the fees paid for bringing the Application.

Name:	Judge S.J. Walker	**Date:**	20 July 2026

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.

<u>Section 20</u>

(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).

<u>Schedule 11, paragraph 5A</u>

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.