



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

Case References	:	LON/00AZ/LSC/2025/1070
Property	:	Flats A and B 31 Manor Avenue, Brockley, London, SE4 1PE
Applicant	:	Caitlin Rush (Flat A) Fionnuala McHugh (Flat B)
Representative	:	Not represented
Respondent	:	Hyde Housing Association
Representative	:	Mr. A. Taylor of counsel
Type of Application	:	For the determination of the reasonableness of and the liability to pay service charges
Tribunal Members	:	Judge S. J.Walker Tribunal Member A. Fonka MCIEH CEnvH, M.Sc.
Date and Venue of Hearing	:	21 August 2026 – Remote
Date of Decision	:	20 September 2026

DECISION

Decisions of the Tribunal

- (1) The Tribunal determines that the estimated service charge payable by each of the Applicants for the service charge year 2025/2026 is £3,571.56**
- (2) The Tribunal determines that the estimated service charge payable by each of the Applicants for the service charge year 2026/2027 is £3,010.92**

- (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 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 service charge years 2025/2026 and 2026/2027.
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, and the re-imbursement of their application fees.
3. The application, which was made on 9 July 2025 when it was received by the Tribunal, originally challenged service charges for the 2025/2026 service charge year only.
4. Directions were initially issued on 15 October 2025, and a hearing was set for 18 March 2026. For reasons which were not the fault of the parties, that hearing did not take place and further directions were issued on 19 June 2026. Those directions extended the scope of the application to include disputes in respect of the 2026/2027 service charge year.
5. In accordance with the directions the parties produced bundles of documents. That from the Applicants comprised 35 numbered pages plus an index. The Respondent's bundle comprised 370 numbered pages. There was also a reply from the Applicants comprising 27 numbered pages. Most of the relevant documents are to be found in the Respondent's bundle, and references to page numbers in this decision are to pages in that bundle unless otherwise stated.

6. Neither party requested an inspection, and the Tribunal did not consider that one was necessary, nor would it have been proportionate to the issues in dispute.
7. In advance of the hearing the Tribunal arranged for copies of the decisions in the cases of Aviva Investors Ground Rent GP Ltd -v- Williams and others [2023] UKSC 6 and Bradley and Rhodes -v- Abacus Land 4 Ltd. [2025] EWCA Civ 1308 to be sent to the parties.

The Background

8. The Applicants are leaseholders of two flats in a Victorian house which has been converted into three flats. The third flat is occupied by an assured tenant of the Respondent.
9. No evidence of the Respondent's title to the building was provided, but there was no dispute about this. Ms. Rush holds flat 31A under a lease made in 2023 between her and the Respondent for a term of 125 years. An unexecuted copy of the lease is at pages 228 to 263. There was no dispute that this is the lease that was in due course executed. Ms McHugh holds flat 31B under a lease which was originally made on 5 May 2023 between Samuel Charles Birch and the Respondent for a term of 125 years from 25 March 2023. A copy of that lease is at pages 267 to 303.

The Leases

10. The leases for the two Applicants are, in all material respects, identical. The relevant provisions are as follows.
11. By clause 7.1 the leaseholder covenants to pay the "*service charges*" (page 287) These are defined in clause 1.1 of the lease as the matters set out in clause 7 of the lease. In addition, clause 1.1 defines "*service provision*" as "*the sums computed in accordance with clauses 7.3 and 7.4*" (page 274).
12. Clause 1.1 of the lease also defines the term "*specified proportion*" as "*a fair and reasonable proportion determined from time to time by the landlord acting reasonably*" (page 274).
13. Clause 7.3 states as follows;
"*The service provision shall consist of a sum comprising;*
7.3.1 *the expenditure that the landlord estimates it is likely to incur in the forthcoming account year upon those matters specified in clause 7.4; and*
7.3.2 *a sum that the landlord considers an appropriate amount as a reserve for or towards such of the matters specified in clause 7.4 as are likely to require expenditure in the future and are matters which are likely to arise at intervals or [sic] more than one year (the said amount to be calculated in such manner as to ensure as far as possible that the Service Provision shall not fluctuate unduly from year to year); and*
7.3.3 *reduced by any such unexpended reserve already made pursuant to clause 7.3.1 in respect of any such expenditure as aforesaid*" (page 288)

14. Clause 7.4 provides that the relevant expenditure to be included in the service provision shall comprise;
“7.4.1 all expenditure of the landlord in connection with the provision of services for the building in relation to, repairing, managing, maintaining, providing, replacing, improving and adding to the services for the building and shall include (without prejudice to the generality of the foregoing);
(a) the costs of and incident to the performance of the landlord’s covenants contained in clause 5.2, clause 5.3 and clause 5.4”
(page 288)
15. Clause 5.2 requires the landlord to insure the property, clause 5.3 is a covenant requiring the landlord to repair, redecorate and renew the structure, and clause 5.4 is a covenant to light and clean the common parts. As it was not contended in this case that the landlord was not, in principle, entitled to charge for the matters in dispute it is not necessary to set these clauses out in full.
16. By clause 1.1 the account year is defined as the year ending on 31 March (page 273).
17. The specified proportion applied by the Respondent to the service charges of the Applicants was one third each.

The Law

18. The appendix to this decision sets out the main statutory provisions relevant to the Tribunal’s powers to determine the reasonableness and payability of service charges. In the course of this decision reference will also be made to other aspects of the law which arose in this case, but which do not need to be set out here.
19. It is important to bear in mind in this case that all the charges in issue are on-account charges and not charges in respect of actual expenditure. It follows that the relevant provision for the Tribunal to consider is section 19(2) of the Landlord and Tenant Act 1985 which provides that;
“Where a service charge is payable before the relevant costs are incurred, no greater amount than is reasonable is so payable”
The test for the Tribunal is simply whether or not the landlord’s estimate of its future expenditure is a reasonable estimate or not in all the circumstances of the case. The Tribunal must consider whether the landlord has a rational basis for their estimate. If so, the charges are likely to be reasonable.

The Hearing

20. The hearing took place remotely by means of video. Both Applicants attended. The Respondent was represented by Mr. A. Taylor of counsel who was instructed by Mr. Ogun, the Respondent’s in-house solicitor, who was also present. The Respondent’s witness Ms. Donna Jones also attended.
21. Oral evidence was given by the Applicants and Ms. Jones.

Matters in Dispute

22. In their statement of case at pages 29 and 30 of their original bundle, the Applicants draw attention to the fact that their flats are considerably smaller than the top flat, 31C, yet the service charge proportion is one third for each flat. At paras 73 to 83 of their reply (pages 212 to 214) the Applicants challenge the reasonableness of this apportionment. They argue that the Respondent has not provided any explanation of how the apportionment of a third to each flat was arrived at and that no information has been provided as to the relative sizes of the flats in the building. The Tribunal considered this aspect of the Applicants' case first.
23. The remaining matters in dispute between the parties are set out in the Scott Schedule which is at pages 39 to 43. The budget for this service charge year is at page 199. The Tribunal considered the disputed items in turn as they appeared in the Schedule as set out below. There was no issue relating to the service of demands for payment.

The Apportionment of the Service Charges

24. When considering questions of apportionment, the key legal principles are to be derived from the cases of Aviva Investors and Bradley which are referred to above and which are binding on the Tribunal.
25. It is not necessary to set out the details of those cases here. In summary, they deal with the question of how the Tribunal is to approach cases where the lease confers a discretion on the landlord. The cases make it clear that in such cases it is not the role of the Tribunal to itself decide how that discretion should be exercised. So, where a lease confers on a landlord the discretion of determining a reasonable proportion of service charge costs, it is not for the Tribunal itself to make a decision about what is a reasonable proportion. Rather, the role of the Tribunal is to consider whether or not the landlord's exercise of discretion falls outside the range of permissible decisions. Only if the landlord has gone beyond what is permissible will the Tribunal be able to intervene. As Nugee LJ said in Bradley (at para 73) "*the landlord's decision will be flawed only if it is one that no reasonable landlord could have reached*".
26. So, in this case, it is for the Applicants to show that the Respondent's decision to split the service charge costs equally between the three flats was one which no reasonable landlord could make. That is a high bar to overcome, not least because in Bradley itself the Court of Appeal decided that a decision by the landlord to pass on the entirety of the costs of providing a gym at the property was one which a reasonable landlord could take, notwithstanding that the landlord had granted a separate lease for use of the gym by a third party.
27. As explained above, the Applicants' case was that the Respondent had not shown how they had arrived at the decision to apportion the service charges equally between the properties. However, that absence is not sufficient to establish that their decision was one which no reasonable landlord could make. Consideration of the various heads of charge as set out in the demands (the relevant parts of which are at pages 320 and 330) did not reveal any charges for services which were likely to benefit one flat so much more than any of the other

flats such that the decision to apportion the costs equally was one which the Respondent could not reasonably have made.

28. In short, the Tribunal concluded that the Applicants had not shown that the equal apportionment was something which no reasonable landlord could have decided to apply. That being the case, it was satisfied that the share payable by each of the Applicants was one third.

Specific Charges 2025/2026 Service Charge Year

29. The service charge demands for the 2025/2026 service charge year for each Applicant are at pages 316 to 325 and 347 to 356. The individual items in this demand which were challenged are as follows.

Electrical Maintenance

30. The Applicants challenged their share of the total budget of £2,567.45 under the heading “electrical maintenance, including bulbs and inspections”. In the Scott Schedule the Applicants state that the reasonableness and frequency of the cost is disputed. They also complain that no invoices or supporting evidence has been provided to justify the budget sum. In their witness statements, which appear at pages 29 to 32 of the Applicants’ bundle and in their reply, which is at pages 202 to 217, the Applicants also make the more general complaint that there has been an unreasonable increase in the amount of their total service charge when comparing the 2025/2026 figures with those for 2024/2025.
31. The Respondent’s explanation for this budget item is set out in the witness statement of Ms. Jones, which is at pages 44 to 52. At para 15 (page 50) and in the Scott Schedule she explains that the charge is in respect of an electrical inspection which, because the landlord is a social landlord, they are required to carry out every 5 years. She also stated that the estimate also included a provision for any remedial work that the inspection might identify. The Tribunal accepted that evidence. A copy of the inspection report which was, in due course, obtained is at pages 60 to 77.
32. The Tribunal found the inspection report to be detailed and thorough and also, in its expert opinion, considered that, whether or not there was a statutory duty for such an inspection to be carried out, it was reasonable for the landlord to do so on a 5-yearly basis.
33. As the charge in dispute is an estimate, there is no basis for the complaint that no invoices have been provided. The complaint the Applicants make about the difference between the charge for this year and that for 2024/2025 is answered by the fact that the inspection only takes place every 5 years. No charge is made under this heading for the 2026/2027 service charge year.
34. Given the nature and scope of the report and the fact that the budget figure also includes a contingency for possible remedial work, the Tribunal concluded that the charge was reasonable and, therefore, that the sum of £855.84 is payable by each of the Applicants.

Fire Safety Contract Servicing

35. In the Scott Schedule the Applicants contended that the total sum of £2,904.97 charged under this heading was unreasonable in amount. It was not suggested that the service was not in fact provided.
36. The evidence from Ms. Jones in her witness statement and her oral evidence was that this charge was in respect of the provision of monthly statutory emergency light testing together with the quarterly testing of the fire detection system. In addition, the Respondent's case was that these tests were undertaken under the terms of a framework contract which is a qualifying long term agreement which was entered into with a company known as Alphatrack. Evidence showing that the necessary section 20 consultation was undertaken in respect of this contract is at pages 156 to 197. This clearly shows that the necessary consultation was undertaken and a proper tendering exercise was entered into.
37. The Tribunal was satisfied that it was reasonable for the Respondent to carry out monthly testing of the emergency lighting at the property and that it was also reasonable for the fire detection system to be tested on a quarterly basis. It accepted the Respondent's case that the costs of these tests were those set out in the framework contract, which had been subject to a thorough tendering process.
38. With regard to the Applicants' argument that there had been an unjustified increase in the service charge as compared with the 2024/2025 service charge year, Ms. Jones explained in her oral evidence that the Respondent had mistakenly not issued a charge for this item in that year. The 2024/2025 demand is at pages 310 to 315.
39. In all the circumstances, therefore, the Tribunal was satisfied that the charge was reasonable and, therefore, the Applicants' share of £968.28 was payable by them.

Fire Safety Responsive Repairs

40. The next item challenged by the Applicants was the total charge of £350 for fire safety responsive repairs. The Applicants' case is that no evidence has been provided of any works actually carried out.
41. The Respondent's case is that this charge is an estimated contingency provision in respect of any works which may be identified as being necessary following the emergency lighting and fire detection tests referred to above.
42. The Tribunal bore in mind that this is an estimated amount. It considered it reasonable for the Respondent to make a charge in respect of maintenance works to the emergency lighting and fire detection systems which may be identified in the course of the year. It also considered that the total contingent sum of £350 was inherently reasonable.
43. The Tribunal was therefore satisfied that the charge was reasonable and the Applicants' share of £116.64 each was payable by them.

Fire Safety Risk Assessments

44. The next item challenged by the Applicants was the total charge of £627 for the provision of a fire risk assessment. They argued that the sum was unreasonable and the amount was not supported by any evidence.
45. The Respondent's case, as explained by Ms. Jones, was that this item was the charge for carrying out a fire risk assessment every 2 years. The risk assessment which was in due course carried out in the 2025/2026 service charge year is at pages 78 to 114.
46. The Tribunal was, in its expert opinion, satisfied that it was reasonable for the Respondent to undertake such an assessment. It also considered that, given the nature and content of the assessment which was in fact produced, the estimated cost of £627 was reasonable. The fact that the assessment is only done every two years explains why no charge was made in the 2024/2025 service charge year.
47. The Tribunal was therefore satisfied that the charge was reasonable and the Applicants' share of £209.04 each was payable by them.

Buildings Insurance

48. Next the Applicants challenged the charge made to each of them of £392.16 in respect of the cost of buildings insurance. They complained that no policy schedule or evidence of the premium payable had been provided by the Respondent.
49. The Respondent's case was that the charge was an estimate based on the premium which was payable in the previous service charge year. However, the evidence provided by the Respondent did not include an indication of what that premium was. On the other hand, the Applicants themselves had also not provided any alternative quotes in respect of insurance.
50. The absence of evidence about the actual cost of insurance in previous years was unfortunate. However, the Tribunal bore in mind that the charge being made by the Respondent was an estimate only. In its expert opinion a charge of £393.16 for building insurance for the flats was well within the range of reasonable charges for the provision of insurance falling within the scope of clause 5.2 of the lease.
51. That being the case the Tribunal was satisfied that the charge of £391.16 to each of the Applicants for insurance was reasonable and payable.

Provisions / sinking fund

52. The final item challenged by the Applicants was a charge of £999.96 which is described on the demand as "provisions – homeowner only" (page 320).
53. The Applicants' case was that no explanation had been provided as to what this charge was for or how it had been calculated.
54. The Respondent's case was that this was a charge made under clause 7.3.2 of the lease as a reserve in respect of future expenditure which is likely to arise at

intervals of more than a year. In other words, this is a sinking fund contribution.

55. The Tribunal accepted the Respondent's evidence that they have created a profile of the major works which are likely to be required to the building in the forthcoming 30 years. That profile includes cyclical programmes of re-decoration, major overhaul or replacement of the roof, windows and doors, replacement or upgrade of electrical and fire safety systems and possible future safety, security and structural works. The predicted total expenditure over the next 30 years was £151,175.04, which is equal to £50,391.68 per flat which, when spread over a period of 30 years, amounts to £1,679.72 per year. Ms. Jones explained that this figure had been reached on the basis of the Respondent's knowledge of costs incurred in respect of other properties they have of a similar age and condition. The sum actually charged is less than the predicted yearly contingency.
56. In the light of the Respondent's evidence, the Tribunal was satisfied that the demanded contribution of £999.96 to the sinking fund was reasonable and, therefore, payable by the Applicants.

Service Charge Year 2026/2027

57. The demands for this service charge year are at pages 334 to 339 and 358 to 368. Although no reference is made to items from this year in the Scott Schedule, the Tribunal invited the Applicants to identify any challenges they had in respect of the charges for this year. These charges were again all estimates.
58. Four charges were in respect of matters already considered in the previous service charge year. These were fire safety contract servicing, fire safety responsive repairs, buildings insurance, and the contribution to the sinking fund. In each case the amounts were broadly the same as in the previous year as were the arguments put forward by the parties.
59. For the same reasons as given above the Tribunal was satisfied that each of these charges were reasonable and payable.
60. Only two items remain. The first was a total charge of £500 for responsive repairs. The Tribunal accepted Ms. Jones oral evidence that this amounted to a contingency for dealing with the possibility of such things as blocked gutters or drains or other small works of repair.
61. The Tribunal accepted that £500 was a reasonable contingency for such works to the whole of the building for a year. It was, therefore, satisfied that the Applicants' share of £166.68 each was reasonable and payable.
62. The final item is a charge of £431.76 to each of the Applicants as a management charge. The Tribunal was satisfied that clause 7.4.1 of the lease allows the Respondent to make a charge for management. This was another charge which the Respondent mistakenly did not apply in previous years. The Tribunal was satisfied that this figure was a reasonable estimate for carrying out management

functions in respect of the property and so it was satisfied that this sum was also payable by the Applicants.

CONCLUSIONS

63. It follows from all that is set out above that the Tribunal concluded that all of the sums charged for by the Respondent as estimated amounts for the service charge years 2025/2026 and 2026/2027 were reasonable and payable. It follows that the total sum payable by each Applicant is £3,571.56 for 2025/2026 and £3,010.92 for 2026/2027.

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

64. 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. In the course of the hearing the Applicants argued that such orders should be made because they had genuine and not frivolous concerns about the service charges they were being required to pay.
65. The Tribunal concluded that, as the Applicants had failed in the substance of their application, there was no basis for making an order under either provision.
66. 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 reimbursement of the fees paid for bringing the Application.

Name: Judge
S.J. Walker

Date: 20 September 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.

Section 20

- (1) Where this section applies to any qualifying works or qualifying long term agreement, the relevant contributions of tenants are limited in accordance with subsection (6) or (7) (or both) unless the consultation requirements have been either—
 - (a) complied with in relation to the works or agreement, or
 - (b) dispensed with in relation to the works or agreement by (or on appeal from) the appropriate Tribunal .
- (2) In this section “relevant contribution”, in relation to a tenant and any works or agreement, is the amount which he may be required under the terms of his lease to contribute (by the payment of service charges) to relevant costs incurred on carrying out the works or under the agreement.
- (3) This section applies to qualifying works if relevant costs incurred on carrying out the works exceed an appropriate amount.

- (4) The Secretary of State may by regulations provide that this section applies to a qualifying long term agreement—
 - (a) if relevant costs incurred under the agreement exceed an appropriate amount, or
 - (b) if relevant costs incurred under the agreement during a period prescribed by the regulations exceed an appropriate amount.
- (5) An appropriate amount is an amount set by regulations made by the Secretary of State; and the regulations may make provision for either or both of the following to be an appropriate amount—
 - (a) an amount prescribed by, or determined in accordance with, the regulations, and
 - (b) an amount which results in the relevant contribution of any one or more tenants being an amount prescribed by, or determined in accordance with, the regulations.
- (6) Where an appropriate amount is set by virtue of paragraph (a) of subsection (5), the amount of the relevant costs incurred on carrying out the works or under the agreement which may be taken into account in determining the relevant contributions of tenants is limited to the appropriate amount.
- (7) Where an appropriate amount is set by virtue of paragraph (b) of that subsection, the amount of the relevant contribution of the tenant, or each of the tenants, whose relevant contribution would otherwise exceed the amount prescribed by, or determined in accordance with, the regulations is limited to the amount so prescribed or determined.]

Section 20B

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

Section 20C

- (1) A tenant may make an application for an order that all or any of the costs incurred, or to be incurred, by the landlord in connection with proceedings before a court, residential property Tribunal or the Upper Tribunal, or in connection with arbitration proceedings, are not to be regarded as relevant costs to be taken into account in determining the amount of any service charge payable by the tenant or any other person or persons specified in the application.
- (2) The application shall be made—
 - (a) in the case of court proceedings, to the court before which the proceedings are taking place or, if the application is made after the proceedings are concluded, to a county court;
 - (aa) in the case of proceedings before a residential property Tribunal, to that Tribunal;
 - (b) in the case of proceedings before a residential property Tribunal, to the Tribunal before which the proceedings are taking place or, if the application is made after the proceedings are concluded, to any residential property Tribunal;
 - (c) in the case of proceedings before the Upper Tribunal, to the Tribunal;
 - (d) in the case of arbitration proceedings, to the arbitral Tribunal or, if the application is made after the proceedings are concluded, to a county court.
- (3) The court or Tribunal to which the application is made may make such order on the application as it considers just and equitable in the circumstances.

Section 20ZA

- (1) Where an application is made to the appropriate tribunal for a determination to dispense with all or any of the consultation requirements in relation to any qualifying works or qualifying long term agreement, the

tribunal may make the determination if satisfied that it is reasonable to dispense with the requirements.

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

Commonhold and Leasehold Reform Act 2002

Schedule 11, paragraph 1

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

Schedule 11, paragraph 2

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

Schedule 11, paragraph 5

- (1) An application may be made to the appropriate Tribunal for a determination whether an administration charge is payable and, if it is, as to—
 - (a) the person by whom it is payable,
 - (b) the person to whom it is payable,
 - (c) the amount which is payable,
 - (d) the date at or by which it is payable, and
 - (e) the manner in which it is payable.
- (2) Sub-paragraph (1) applies whether or not any payment has been made.

- (3) The jurisdiction conferred on the appropriate Tribunal in respect of any matter by virtue of sub-paragraph (1) is in addition to any jurisdiction of a court in respect of the matter.
- (4) No application under sub-paragraph (1) may be made in respect of a matter which—
 - (a) has been agreed or admitted by the tenant,
 - (b) has been, or is to be, referred to arbitration pursuant to a post-dispute arbitration agreement to which the tenant is a party,
 - (c) has been the subject of determination by a court, or
 - (d) has been the subject of determination by an arbitral Tribunal pursuant to a post-dispute arbitration agreement.
- (5) But the tenant is not to be taken to have agreed or admitted any matter by reason only of having made any payment.
- (6) An agreement by the tenant of a dwelling (other than a post-dispute arbitration agreement) is void in so far as it purports to provide for a determination—
 - (a) in a particular manner, or
 - (b) on particular evidence,of any question which may be the subject matter of an application under sub-paragraph (1).

Schedule 11, paragraph 5A

- 5A(1) A tenant of a dwelling in England may apply to the relevant court or Tribunal for an order reducing or extinguishing the tenant's liability to pay a particular administration charge in respect of litigation costs.
- (2) The relevant court or Tribunal may make whatever order on the application it considers to be just and equitable.
- (3) In this paragraph—
- (a) “litigation costs” means costs incurred, or to be incurred, by the landlord in connection with proceedings of a kind mentioned in the table, and
 - (b) “the relevant court or Tribunal” means the court or Tribunal mentioned in the table in relation to those proceedings.