



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

Case reference : LON/00BK/LSC/2026/0103

Property : Flat 2, 102 Belgrave Road, London,
SW1V 2BJ

Applicants : Mr Lin Wang
Ms Mei Wang

Representative : N/A

Respondent : 102 Belgrave Road Limited

Representative : Mr Aggrey-Orleans of Counsel,
instructed by Radar Limited

Type of application : Applications under: Section 27A
Landlord and Tenant Act 1985; Section
20C Landlord and Tenant Act 1985; and
Paragraph 5A to Schedule 11 of the
Commonhold and Leasehold Reform
Act 2002.

Tribunal : Judge Himsworth
Mr Waterhouse FRICS

Venue : 10 Alfred Place, London WC1E 7LR

Date of hearing : 24 August 2026

Date of decision : 2 October 2026

DECISION

Decisions of the tribunal

- (1) The tribunal determines that the Applicants' share of the estimated service charges set out in the budget schedule in respect of the year 2025-26, which appears at page 91 of the hearing bundle, are all payable, except for the figure for Terrorism insurance (the Applicants' share of which is £104), which is not payable.
- (2) The tribunal makes no direction pursuant to s.20C of the Landlord and Tenant Act 1985, or paragraph 5A of Schedule 11 to the Commonhold and Leasehold Reform Act 2002 Act.

Definitions

A bundle was submitted by the Applicants for use during the hearing. Numbers within square brackets [] in this decision are to the corresponding page number of the hearing bundle, often identifying only the first page of multi-page documents.

In this decision, the following terms bear the associated meanings:

"1985 Act" means the Landlord and Tenant Act 1985

"2002 Act" means the Commonhold and Leasehold Reform Act 2002

"Applicants" means the original Applicant Mr Lin Wang together with, by her written consent [27], his wife Ms Mei Wang. The tribunal understands that both are PhD candidates. Both Applicants made submissions to the tribunal during the hearing, with the preponderance from Mei Wang

"Axe" means Axe Block Management Ltd, a private limited company registered at Companies House, number 04868991, which has been engaged by the Respondent as managing agent for the Building since 1 August 2025

"Building" means 102 Belgrave Road, London, SW1V 2BJ, which is comprised of seven residential flats and communal space affording access to them

"LRPM" means LRPM Ltd, a private limited company registered at Companies House, number 11286196, which was engaged by the Respondent as managing agent for the Building from late 2021 until 31 July 2025. The Respondent makes some complaint over LRPM's conduct, but it has not been afforded the opportunity to comment on any criticisms levelled at it, and the tribunal draws no conclusions in this regard

"Property" means Flat 2 within the Building, situated on its ground floor

“Respondent” or (interchangably) **“Management Company”** both mean 102 Belgrave Road Limited, a private limited company registered at Companies House, number 04868991. The Respondent was the Building’s management company, and retains that responsibility but additionally now owns the Building’s freehold. The Respondent’s responsibilities are in respect of the Building alone: it is not a profit-making or professional or portfolio landlord. The Respondent’s officers are residents of the Building, and in practice it delegates much of the task of running of the building to professional managing agents. The tribunal understands that each leaseholder of the Building is a shareholder of the Respondent, and that leaseholders from six of the seven leased flats are currently company directors, but that neither of the Applicants is

“Rules” means the Tribunal Procedure (First-tier Tribunal) (Property Chamber) Rules 2013, Statutory Instrument 2013/1169, (each individually, a **“Rule”**)

Chronology

The following dates and events are set out to put the application, and the proceedings, in context:

- | | |
|----------|--|
| 11/01/08 | Respondent acquired freehold of the Building |
| 08/08/24 | Applicants acquired leasehold of the Property |
| 01/08/25 | Axe took over from LRPM as building manager |
| 06/08/25 | Account statement sent by Axe to Applicants [78] |
| 13/11/25 | Email from Axe to Applicants in relation to an ‘outstanding balance’ [77] |
| 17/11/25 | Applicants responded to 13/11/26 email [78] suggesting discrepancies as between two account statements sent to them in August 2025, asking questions of a general nature, and requesting a ‘detailed breakdown’ of the calculation of the sum demanded |
| 17/11/25 | Axe explained [77] the meaning of ‘service charge’ and ‘reserve fund’ and indicated the <i>‘balance of £3,510 was carried over from the old managing agents so it is a breakdown basing [sic] of their budget and service charge demands’</i> |
| 04/12/25 | Applicants queried the content of the 2025/26 budget [80], item by item |

- 11/12/25 Axe explained that the 2025/26 budget was a forecast, not a record of costs already incurred, and that all actual expenditure would be *'fully documented and issued in the year-end service charge accounts, and in any event well within the statutory 18-month period'*, before responding to a number of service charge queries [83]
- 15/12/25 Applicants made lengthy and detailed submissions, including *'By demanding payment of £3,510, Axe has admitted by conduct that this sum represents past expenditure'* [84]. Applicants ask for evidence of actual expenditure *'given that 2025 is now approaching year end'* [83]
- 22/12/25 Axe sent Applicants a 'final' credit control letter [87, 93]
- 07/01/26 Axe sent Applicants a 'second and final' credit control letter [88, 94]
- 21/01/26 Debt collection agency 'pdcPropertyDebt' wrote to the Applicants in respect of alleged £4,207.66 debt [95], that figure comprised of the £3,510, interest, a disbursement, and the collection agency's fee
- 27/01/26 Application made
- 13/03/26 Directions first issued by tribunal
- 02/04/26 Axe issued payment demand for outstanding £3,510 plus £1,433.25 in respect of the first half of the 2026/27 service charge year [178, 180]
- 20/04/26 Respondent sent material to Applicants [152], including service charge account documentation from March 2025 to 29 July 2025, and 1/08/25 to 20/04/26; the budget for the 2025/26 year; and an example service charge demand [163]
- 15/04/26 Applicants suggested Axe *'triple the char[g]e every time you issue an invoice'* [196]
- 20/05/26 Applicants sent their case [133] and supporting documents to tribunal, including the witness statement of Mr Wang [149]. Case includes greatly-expanded series of service charge complaints, including in respect of account reconciliation for the 2025/26 year and service charge estimates for the 2026/27 year
- 06/07/26 Respondent filed its response [251], including a witness statement of one of its directions, Yun Cui [263]

- 17/06/26 Newly-instructed representatives of the Respondents applied for extension of time to serve their case [110, 115]
- 17/06/26 Applicants responded, not objecting in principle to extension but making a number of suggestions
- 16/07/26 Amended directions issued by tribunal

Legal Framework

1. The text of the 1985 Act may be viewed at:

<https://www.legislation.gov.uk/ukpga/1985/70/contents>
2. An appendix detailing particularly-relevant legal provisions appears at the end of this decision.
3. The tribunal has no ‘inherent jurisdiction’: all of the power it has to make decisions necessarily derives from statute law. The tribunal’s statutory power to determine variable service charges is contained in sections 18-30 of the 1985 Act.
4. ‘Service charge’ is defined in section 18 of the 1985 Act as ‘*an amount ... which is payable directly or indirectly for services, repairs, maintenance, improvements or insurance or the landlord’s costs of management, ... the whole or part of which varies or may vary according to the relevant costs*’. Section 19(1) provides that a cost forming part of the service charge is only payable insofar as it is reasonably incurred and the services or works to which it relates are of a reasonable standard. Section 19(2) provides that where a service charge is payable before a relevant cost is incurred, no greater amount is payable than is reasonable.
5. Section 27A of the 1985 Act gives the tribunal jurisdiction to determine by whom and to whom service charges are payable, and in what amount.
6. Section 20B of the 1995 Act provides that in respect of estimated or incurred service charges, the landlord must notify the tenant of their cost within 18 months.
7. Section 20C of the 1985 Act provides that, if a tenant makes an application that any or all costs incurred by the landlord in connection with tribunal proceedings are not to form part of any service charge payable by the tenant, the tribunal may make any such order as it considers just and equitable in the circumstances. Paragraph 5A(1) of Schedule 11 to the 2002 Act gives the tribunal the same power, to be

exercised according to the same principles, in respect of the tenant's liability to pay any or all of an administration charge relating to the landlord's costs of tribunal proceedings.

8. Disputed facts are decided on the balance of probabilities. The legal burden of proof lies on the party who requires the assistance of the tribunal i.e. if the tenant asserts they have overpaid, the burden lies on the tenant; if the landlord seeks payment, it lies on the landlord. If the tenant is challenging the reasonableness of a service charge they must firstly properly identify the challenge in their pleadings and secondly provide some evidence that the charges they wish to challenge are unreasonable. If the tribunal is satisfied that there is some credible evidence which, if unchallenged, would support a finding that the charge was unreasonable, the burden of proof moves to the landlord to show that the sums claimed are in fact reasonable: *Sponder v FIT Nominee Ltd* [2025] EWCA 1578 at paras 79, 89.
9. However the tribunal has also borne in mind the earlier words of Sedley LJ in *Daejan Investments v Benson* [2011] EWCA 38: "*it is increasingly rare in modern litigation for the burden of proof to be critical. Much more commonly the task of the tribunal of fact begins and ends with its evaluation of as much of the evidence, whatever the source, as helps to answer the material questions of law. In 9 cases out of 10 this is sufficient to resolve the contest. It is only rarely that the tribunal will need to resort to the adversarial notion of the burden of proof in order to decide whether an argument has been made out, and tribunals ought in my view not to be astute to do so: the burden of proof is a last, not a first, resort.*"
10. It follows from the 1985 Act generally and particularly the preceding paragraphs in this section that:
 - 10.1. it is insufficient for a leaseholder simply to dispute a service charge and put the landlord to the task of evidencing its reasonableness: the leaseholder must first provide some evidence that it is unreasonable
 - 10.2. the landlord has a range of discretion within which it may operate, and the fact that a service charge for an incurred or estimated cost is not as low as might have been achieved does not mean that that cost was necessarily unreasonable
 - 10.3. similarly, the fact that certain works are carried out, certain services procured, or certain contractors engaged by one landlord when they might not have been by another does not of itself mean that either landlord has behaved unreasonably
 - 10.4. the tribunal's role is to determine whether the service charges which are the subject of the application are reasonable and payable or not: it is not to perform a governance assessment or an accounting, reconciliation, or audit exercise
 - 10.5. the tribunal must make decisions based on the available evidence. That evidence need not be the very best evidence of a particular fact which might have been available

- 10.6. unless the provisions of s20 of the 1985 Act apply, there is no duty on a landlord or their agent to go through a formal or even informal process of consultation with leaseholders, nor to follow any particular procurement procedure, when incurring service charge costs
- 10.7. whether or not complete transparency over decision-making by a landlord or its agents (for example as to board minutes, resolutions, voting records etc), can be expected or sought in any other way, that transparency is not within the tribunal's power to create, compel, or determine.
11. Service charges in relation to a future period are necessarily based on estimates, and a process of refunding payments made in excess of amounts actually incurred (or of such payments being retained to contribute to a reserve fund), or of taking further payments where the combined estimates were lower than the expenditure, is inevitably necessary.
12. Freeholders and managing agents often carry out work themselves and charge leaseholders for it, or appoint entities closely connected to them to do so, and such charges and appointments are not in and of themselves inherently objectionable or unreasonable.

The Application

13. By an application made on form Leasehold 3 dated 27 January 2026 the Applicants sought determinations:
- 13.1. as to their liability to pay and the reasonableness of £3,510, demanded by the Respondent as a service charge for the year 2025, pursuant to section 27A of the 1985 Act;
- 13.2. as to their liability to pay and the reasonableness of estimated service charges, in respect of the service charge year from 2025/26, pursuant to section 27A of the 1985 Act; and
- 13.3. that costs incurred by the Respondent in respect of these proceedings should not be included in the amount of any service charge payable by the Applicants pursuant to s.20C of the 1985 Act, and under paragraph 5A of Schedule 11 to the 2002 Act that their liability to pay any administration charge in respect of the Respondent's litigation costs should be reduced or extinguished.
14. The tribunal (Judge Percival) gave directions in this case on 13 March 2026 [99]. The identified issues for determination in the tribunal's directions were:
- Determination under s27A of the Landlord and Tenant Act 1985 as to whether service charges are payable:

- in respect of 2025, whether an outstanding charge balance demanded is payable and reasonable, and in particular whether the costs contributing to it were incurred and due, what the relevant service charge period is, and whether the charges are supported by invoices, receipts or accounts
 - In respect of 2025/26, whether the “forecast and budgeted” service charge is payable, or whether (it appears) it constitutes the same demand as in relation to 2025, and whether the demand (even if not a repeat of the alleged debt) is payable and reasonable
 - An order that costs incurred by the Respondent in respect of these proceedings are not to be included in the amount of any service charge payable by them pursuant to s.20C of the 1985 Act, and under paragraph 5A of Schedule 11 to the 2002 Act reducing or extinguishing their liability to pay any administration charge in respect of the Respondent’s litigation costs
15. On 17 June 2026 the Respondent’s current representatives, then newly appointed, applied for an extension of time to serve their statement of case; on 6 July 2026 the Applicants sought consequent extensions in respect of their own obligations; and on 16 July 2026 the tribunal (D I Jagger MRICS) issued amended directions [122].
16. Among other things, the directions (and amended directions, significant changes by which are underlined below) obliged:
- 16.1. By 20 April 2026, the Respondent to send to the Applicants all relevant service charge accounts and estimates for the years in dispute, together with all demands for payment and details of payments made
- 16.2. By 25 May 2026, the Applicants to send to the Respondent a completed Scott schedule of contested items; copies of alternative quotes; all documents on which the Applicants intended to rely; various other information if not contained within the Scott schedule; and any witness statement on which the Applicants sought to rely
- 16.3. By 22 June 2026 (amended to 17 July 2026), the Respondent to send to the Applicants the further-completed Scott schedule; copies of all invoices relating to matters in dispute; all documents on which the Respondent intended to rely; various other information if not contained within the Scott schedule, and any witness statement on which the Applicants sought to rely
- 16.4. By 6 July 2026 (amended to 31 July 2026), the Applicants to send, if they wished, a ‘brief supplementary reply to the landlord’
- 16.5. By 3 August 2026 (amended to 7 August 2026), having sought to agree its contents, the Applicants to email a hearing bundle to the Respondent and the tribunal
17. In correspondence on 25 May 2026 the Applicants raised questions over a section 20 1985 Act consultation exercise run by the Respondent [133-4], but confirmed they did not raise that for determination by the tribunal, instead suggesting that references to it were intended to demonstrate general administrative failures by the Respondent.

18. At the conclusion [485] of their ‘reply’ within an extremely detailed, and certainly not ‘brief’, 47-page ‘reply package’ [beginning at 474], filed on 31 July 2026, the Applicants identified a list of seven orders and findings which they said they sought. The fourth of those proposed further delay and a potential revision of the hearing timetable. That point was not pressed during the hearing, the parties indicating that they were content to proceed.
19. On [138] the Applicants alluded to queries over the 2026/27 demand, and purport to ‘*reserve the right to ask the Tribunal to deal with [it] within these proceedings... if the Tribunal considers that the 2026/27 demand cannot be determined within the present proceedings without a procedural direction or separate application, the applicant respectfully seek directions as to the appropriate route and reserve the right to apply promptly*’. The Applicants suggested (para 10.4) that their reason for the allusion to the 2026/27 demand was the £3,510 ‘balance’ figure.
20. The Applicants themselves formulated the originating application to the tribunal, which targeted the service charge, based on estimates, for the 2025/26 year. They knew which issues the tribunal had identified in its directions, from that application, as being in dispute, and no amendment of the issues in dispute was sought or made.
21. The tribunal considers that the only issues validly in dispute in these proceedings are the £3,510 debt and, to the extent that they are different, the estimates made in respect of the 2025/26 year.
22. If the Applicants wish to make a separate application in respect of the amounts actually charged in respect of 2025/26, and/or over the 2026/27 service charge demand, then their ability to do so is not restricted by this decision.
23. On 7 August 2026 the Applicants filed and served a 555-page bundle with the tribunal and with the Respondent’s solicitors.

Background

24. The Building is a converted terraced former townhouse constructed in the 1840s. The Property is one of seven residential flats in the Building.
25. The Respondent acquired the Building’s freehold on 11 January 2008. The Applicants acquired their leasehold interest in the Property on 8 August 2024.
26. A 99-year lease of the Property was originally granted on 17 December 1982 [29] (as later varied and amended, the ‘**Lease**’), and its terms continue to underlie the parties’ service charge contributions and

maintenance obligations. A deed of variation was made on 21 September 2005 [446], principally extending lease duration; and a deed of surrender and regrant was made on 23 January 2009 [454]. That last document provided for a 999-year term, amended slightly downwards the Property's maintenance contribution payment obligation to 13% of that of the overall cost for the Building, and removed the role of 'Management Company', replacing each such expression with 'Landlord'. The Lease was presumably further amended by deed of assignment or surrender and regrant between the Applicants, their predecessors in title, and the present Respondent, and in any event it is agreed by the parties that the Applicants are the current leaseholders of the Property on substantively the same terms granted to their predecessor in title.

27. Maintenance contributions are provided for in Schedules 5 and 6 of the Lease.
 - 27.1. Each service charge term runs from 25 March of one year to 24 March of the next (definitions paragraph (g) [33]).
 - 27.2. Leaseholders must pay their contributions by way of half on the first day of the service charge year (25 March), and the remaining half six calendar months later (25 September) (5th schedule, clause 31 [58-9]).
28. The Respondent's maintenance and repair obligations appear in the lease's sixth schedule [59], and includes work on, and the cleaning and lighting of, the Building's common parts; insuring the building; insuring the Respondent and its officers; and other managerial expenses ancillary to the maintenance and running of the building.
29. The mechanism by which the service charge is calculated and its cost shared falls in the Lease's seventh schedule [66], including the estimated expenditure for that year, plus '*an appropriate amount as a reserve*'. That schedule also contains the leaseholder's service charge payment obligations [58-9].
30. The Lease deems in clause 4 of Part II of the Lease's seventh schedule [69] that reconciliation of estimates made with actual expenditure should happen '*as soon as is practicable after the end*' of the service charge year. The lessee is then entitled to their share of any excess, or must pay any deficiency.
31. A factor referred to by both the Applicants and the Respondent's representative as impacting negatively on the Applicants' participation in decision-making and exchange of information relevant to the management of the Building is that neither of the Applicants is currently a Director of the Respondent, as we understand they are entitled to be. The tribunal has no role in this regard, but it is to be hoped that the

parties will use their best endeavours to resolve that situation speedily, and in any event to communicate with each other fully and co-operatively hereafter. The tribunal is only too familiar with insufficient communication and/or insufficient effort made to comprehend other parties' positions and concerns, creating or worsening doubt, confusion, and distrust.

32. Neither party requested an inspection of the Building or the Property, and the tribunal did not consider that it was either necessary or proportionate to conduct one to resolve the issues in dispute.

The Hearing

33. The application proceeded as a face-to-face hearing on Monday 24 August 2026.
34. The Applicants appeared in person. The Respondent was represented by Mr Aggrey-Orleans of Counsel, instructed by Rradar Limited, a regulated legal practice.
35. Some content as to costs/charges applications [6] is missing from the copy of the originating application form in the hearing bundle, but the tribunal and the parties had access to a full version of the application in other material available to them.
36. The tribunal has considered all of the documents in the hearing bundle, but we do not refer to every one of them in this decision, it being impractical and unnecessary to do so. Where the tribunal does not refer to a specific document in this decision, it must not be assumed that the tribunal ignored or left it out of account.
37. This decision seeks to focus solely on the key issues. Any omission to refer to or make findings about every statement or document mentioned is not a tacit acknowledgement of the accuracy or truth of statements made or documents received. Not all of the various matters mentioned in the bundle or at the hearing require a finding to be made for the purpose of deciding the relevant issues in this application. The decision is made on the basis of the evidence and arguments the Applicants and Respondent presented, as clarified by the tribunal in the hearing, and is necessarily limited by the matters to which the tribunal was referred.
38. Having heard evidence and submissions from the parties and considered all of the documents provided, the tribunal has made determinations in respect of the various issues as follows.

Additional Evidence

39. At the outset of the hearing Mr Aggrey-Orleans applied on behalf of the Respondent to adduce further material not contained within the bundle. The material comprised a bundle of 17 unpaginated A4 sides of printed documents, the first 6 sides being a landscape-printed version of several pages which appear within the hearing bundle from [153]. The Applicants did not object to these 6 pages being considered, but did object to the remaining 11.
40. The 7th side was a table of what appeared to be receipts and expenditure between April 2024 and July 2024. The 8th side proved to be a landscape version of [157 and 158] and so already in evidence. The 9th side to the end were bank statements for the Respondent's account ending 920. Some of these pages were already in the bundle [159-161], and the two which weren't covered April 2026 to August 2026.
41. The tribunal bore in mind that: the agreed bundle was already voluminous relative to the scope of the application; it was the product of materials shared between the parties in response to directions given by the tribunal; and no good explanation was given as to why documents said to be relevant had been omitted from it and no earlier attempt to include them made. The tribunal considered that receiving additional documentation on the day of the hearing might lead to unfairness to the Applicants who in any event would have to be afforded time to consider and potentially secure evidence to rebut the material, and that generally admitting the new material into evidence at that stage would prevent the tribunal from dealing with the case fairly and justly, including avoiding delay.
42. As a result, the tribunal gave permission for the first 6 sides of the additional bundle to be considered, since they were a more comprehensible presentation of material already in the bundle, but refused under Rule 18(6)(b)(i) to consider evidence other than that served and filed in compliance with its earlier directions. This ruling did not affect material already contained within the bundle.
43. On behalf of the Respondent Mr Aggrey-Orleans then made an application for a summons under Rule 20(1)(b) directing LRPM to produce bank statements for the account they operated in respect of the Building between 25 March 2025 and 31 July 2025.
44. A written application for a summons dated 18 August 2026 had been sent to the tribunal in the afternoon of that date but was not determined by the tribunal before the hearing. Ordinarily 14 days' notice *to the person compelled* of such an application is required (Rule 20(2)(a)), and unless an exception was made the application would therefore need to have been made weeks before it was in order to have been workable. Further, provision would have to have been made as to expenses (Rule 20(1)(b), but was not addressed in the written application.

45. Although there had been a change in the Building's managing agent between LRPM and Axe, the Respondent has remained constant throughout, and it was unclear why the written application had not been made earlier (particularly in the light of the Respondent's earlier application for an extension of time), nor why the Respondent could not evidence the same matters by other means. Although an effort had been made to make the application a week before the hearing both the written application and the oral one would have compelled a third party to produce financial statements, and probably in both cases and inevitably the latter would have resulted in an adjournment of the hearing, further delay, and the waste of tribunal resources. For those reasons, the tribunal refused the Respondent's oral summons application.
46. Ms Yun Cui, a director of the Respondent and leaseholder within the Building, had given a witness statement [263] and had been expected to attend the hearing. She did not attend; we were told that no contact could be made with her; and no application was made to the tribunal to adjourn or postpone the hearing on the ground of her non-attendance. We have put out of our minds a number of allegations against the Applicants contained within her statement (including but not limited to those in paragraphs 20.2, 20.4, 20.6). Ms Cui was not available to answer questions in respect of those matters, and it was not suggested by Mr Aggrey-Orleans that the allegations were relevant to the tribunal's task.

Individual Service Charge Items

47. We turn to the specific items of challenge in the service charge year in issue.
48. Prior to the hearing the parties had completed a (Scott) schedule [258] of disputed service charge items. At the hearing the identified issues were deployed as an agenda, with each item addressed sequentially. In respect of each disputed item the Applicants provided an explanation of their challenge. The Respondent's representative responded in respect of each item, and the Applicants were afforded the opportunity to respond in turn.
49. A number of items on the Scott schedule go beyond the scope of the application, the tribunal's directions' determination of the issues in scope, and the subsequent determination made by the tribunal as to the matters legitimately in issue in these proceedings.

Background: 2024/25

50. This service charge year is not in dispute, but some of its salient features are represented here, to put the following year in context.

51. The total Building service charge for 25/03/24 to 24/03/25 was £19,900, the Property's 13% share of which was £2,587 [545].
52. The Applicants paid the portion of the service charge they owed (post-completion) in respect of 2024/25 [474, 305].
53. At £27,000, the total Building charge for the service charge year 2025/26 was a marked increase of a little under 36% year on year.
54. Drawing from the budgets for the respective years [549] and [91/162], the following table sets out each item contributing to the service charge for the year 2024/25, and compares it against the same, or the most similar, item in respect of the following year.

2024/25		2025/26	
<i>Item</i>	<i>Cost</i>	<i>Item</i>	<i>Cost</i>
Accountancy Fee including Companies House	£700.00	Accountancy & Audit Fees	£150.00
		Legal & Professional Fees	£300.00
Cleaning	£2,280.00	Cleaning	£2,280.00
Communal electricity	£850.00	Communal electricity	£600.00
Insurance – including terrorism and Directors' and officers' insurance	£7,000.00	Building & Terrorism Insurance	£5,500.00
		Terrorism Insurance	£800.00
		Directors Insurance	£450.00
		<i>Sub-Total:</i>	<i>£6,750.00</i>

Fire safety (inc. weekly & monthly testing, signs, EICR)	£2,000.00	Fire safety	£1,300.00
Fire Door Audits (communal & individual)	£650.00	East Anglia Fire Door Inspection	£200.00
Day to Day Maintenance	£3,000.00	Repairs and Maintenance	£12,000.00
LRPM Management Fee £2,500.00 (+VAT)	£2,500.00	LRPM Management Fees	£3,420.00
Company Secretary (+VAT)	£350.00		
VAT (added to above two rows only)	£570	VAT	(Nil - figures above all gross of VAT)
Totals:	£19,330		£27,000

2025-26

55. In their concluding submissions, the Applicants contended generally that they feel unfairly treated in respect of the management of the block. They indicate that they accept their responsibility to pay service charges, and that they are happy to do so, but that they feel they have been put in what they described as a 'black box', and that they need transparency. They wish to know how the money they paid was spent, and complained that the Respondent didn't provide information until after the Applicants began these proceedings.
56. A partial reconciliation between estimated expenditure and actual cost appears at [279], but seems to relate, at least as far as actual cost is concerned, to the period 01/08/2025 to 24/03/2026. The former date aligns, of course, with Axe becoming the Building's managing agent.

£3.510

57. At times the Applicants have suggested that this figure represents debt carried over from earlier service charge years, and demand to know what it represents. There is some documentary material which may have given

rise to or otherwise supported the Applicants' belief as to debt being 'carried over', for example at [90] appears an account statement for what is said to be the period 6 August 2024 to 6 August 2025, suggesting that there is an opening (and closing) balance of £3,510. Indeed, the presence at the bottom of each document of whatever outstanding debt the Respondent considered the Applicants to owe at the time is recurrent in other Account Statements [92], as was confirmed and explained by Axe in correspondence [194].

58. The Respondent assert that the £3,510 figure is the Applicants' share of the estimated service cost for 2025-26. The Respondent, by its managing agents LRPM, calculated that it would need to spend £27,000 [91, 162-3] in that service charge year, of which 13%, the Applicants' share, is £3,510.
59. The tribunal understands that Axe, which took over from LRPM on 1 August 2026, may have, in one sense, considered the £3,510 figure to have been 'carried over' from the previous agent LRPM. The tribunal is satisfied on the available evidence (including especially 305-6, and the Applicants' confirmation that there was no outstanding debt) however that that figure was not 'carried over' in the sense of having been charged in a previous service charge year. Rather, it represented an estimate for the year 2025/26.
60. The Applicants contend [84] that a '*debt demand necessarily asserts that expenditure has already been incurred and is properly payable*', and that '*a forecast is not recoverable as a debt*'. This demonstrates a fundamental misunderstanding of the Lease, Part II of the seventh schedule of which, by the first sub-paragraph of its second clause [67], says that the provision '*shall consist of... the expenditure **estimated as likely to be incurred** ... by the Management Company*'. It is extremely common for service charges to be based on estimates for a future period, which must be collected in advance so that costs may be met as they arise.
61. The tribunal considers this amount is reasonable overall, save in relation to one element which the Respondent accepts was erroneous. The service charge elements are assessed below:

Repairs and maintenance - £12,000

62. There was a significant increase of the cost ascribed to this item between the years 2024/25 (£3,000) and 2025/26 (£12,000).
63. The Respondent indicates that following the disagreement of another leaseholder in respect of the 2024/25 year, it had previously decided not to preserve excess monies within the reserve fund [259], and that money was returned by LRPM. The Respondent asserts [259, 267] that the

reason for the increase in the 2025/26 year was so that unspent monies could be put to re-building a reserve fund, following the fund's depletion during roof repair works to the Building carried out in late 2024. There is some evidence of the substantial cost of those works at [308].

64. The Lease provides that the contribution to the reserve fund should be '*computed in such a manner as to ensure as far as is reasonably foreseeable that the maintenance provision shall not unduly fluctuate from year to year*'. The tribunal considers that there was considerable fluctuation between 2024/25 and 2025/26 but that, given the need to rebuild the fund following recent works, and the fact no contribution was retained in 2024/25, the contribution was not 'undue'.
65. The Lease provides in clauses 12 and 13 to its sixth schedule [59] that the Respondent must maintain, amongst other things, the exterior and common parts of the building. The day-to-day maintenance estimate figure given for 2024/25 was £3,000.
66. We consider that to have been a reasonable basis from which to conclude that a similar expenditure would be likely the following year. That would suggest that the Respondent anticipated there being approximately £9,000 left over to preserve in the reserve fund. In fact, the Respondent indicates [267, para 25] that from the service charges collected in the 2025/26 year, approximately £3,662 remained (it is not clear to what extent that figure accounts for the service charge payments not made by the Applicants or, for that matter, any other leaseholder).
67. The Lease provides, in sub-clause 2 of clause 2, Part II, seventh schedule, for '*an appropriate amount as a reserve for or towards ... matters ... likely to give rise to expenditure after [the current service charge year]*', and elsewhere [65] provides that the Management Company may '*set aside... such sums of money as [it] shall reasonably require to meet such future costs as [it] shall reasonably expect to incur in replacing maintaining and renewing those items which [it] has covenanted to replace maintain or renew*'.
68. The establishment and preservation of a reserve fund is not required by law or the Lease or otherwise mandatory, but it is a very common sensible precaution against larger items of expenditure which might arise in the future. The absence of sufficient monies in such a fund may oblige leaseholders to try to find large amounts of money at little notice, failing which result in the inability of the landlord to carry out necessary expensive works.
69. In the circumstances the tribunal considers it to have been reasonable, and in accordance with the Lease, for the Respondent to make provision for immediate maintenance costs, and for a remainder to be earmarked to the reserve fund.

70. Bearing all of the circumstances in mind and contemplating the costs which might arise at short notice, particularly in respect of a listed heritage building containing seven flats, the tribunal finds that the sums are reasonable, this element of the service charge reasonable, and the Applicants' share payable by them.

Building & Terrorism Insurance - £5,500

71. The Lease obliges (sixth schedule, para 6) [61] the Management Company to insure the Building on an "*all risks basis including loss or damage by fire lightning storm tempest flood escape of water and such other risks as the Lessor thinks fit*".
72. The tribunal determines that it is reasonable in principle for the Respondent to arrange for standard building cover. There is no evidence that the cover envisaged was unreasonable, and so the Applicants' share of the premium in respect of that cover is payable.
73. The Building is situated in central London not far from Buckingham Palace, Victoria train station, Westminster, and Battersea Power Station. Like other cities across the globe, London has been subject to historic as well as more recent terrorist attacks which have caused serious damage to buildings, with the also-nearby SIS/MI6 Building as an example. However unlikely might be the direct targeting by terrorists of a residential property in the area, indiscriminate and/or widespread damage is often caused by such activity, and if the Building suffered any such damage its repair would not otherwise be covered by a policy of regular insurance.
74. The tribunal considers that the Respondent's decision as to whether to secure cover against damage caused by terrorist acts was a matter for it. The fact that such insurance wasn't mandated by law or not put in place by other landlords is immaterial, and the tribunal is not concerned with how the decision was made by the Respondent.
75. There is no evidence that the policy was itself unreasonable in cost or provision. The tribunal concludes that this estimated cost was reasonable and the Property's share payable by the Applicants.

Terrorism Insurance - £800

76. Perhaps unsurprisingly, the Respondent concedes [259] that this was an erroneous entry, partly-duplicative as it is of the 'Building & Terrorism Insurance' line item appearing directly above it in the budget, which is also addressed herein immediately above.
77. Whether, in circumstances in which the Respondent or its agent had noticed the error before the budget had been issued, it would have been

legitimate to maintain the overall charge so as to preserve the same total and thereby slightly further increase the envisaged reserve fund contribution, is moot.

78. The tribunal determines that the Applicants' share of this cost, £104, is not payable.

LRPM Management Fees - £3,420

79. The Respondent is entitled to employ '*professional persons as may be necessary or desirable for the proper maintenance safety and administration of the building*' [65]. Given the nature of the Respondent, with its otherwise-occupied volunteer officers, the tribunal considers it reasonable in principle to engage a professional agent to manage and administer the day-to-day running of the Building.
80. This figure was the estimated charge for the services of the former managing agent LRPM. On 1 August 2006, part-way through the 2025/26 service-charge year, the Respondent changed its managing agent from LRPM to Axe.
81. Had LRPM remained in place, its charge would have been £3,420 (comprised of £2,500 as a fee, £350 in company secretarial work, and Value Added Tax on both), but since it only worked for four months or so LRPM's actual charge was £1,140. Management fees were thereafter charged by Axe, at the same rate as LRPM had charged [82, section 3], for the remainder of the year.
82. Since the object of the current exercise is only to assess the reasonableness of the estimated costs for 2025/26, and there being no evidence before the tribunal that LRPM's estimated costs were unreasonable, the tribunal finds the Applicants' share of this item payable by them.

Cleaning - £2,280

83. The Respondent is obliged by Schedule 6 of the Lease to '*repair redecorate and renew*' the internal and external and common parts of the Building [59] and to keep its internal parts in '*clean and proper order*' [59].
84. The Applicants say that this item is disputed 'pending proof', and point to an absence of invoices and a contract, amongst other things. The tribunal concludes that, this figure being an estimate, no proof was necessary and some may not yet have been available in any event.

85. The Respondent indicates that the same cleaner had been engaged for 6 or so years at the Building but that for some time LRPM had no settled their invoices. On taking over the Building's management, Axe was obliged to pay those debts.
86. As evidenced by the cleaner's invoices, the actual weekly cost of the cleaning is £38, or about £190 per month [412-9], or £2,280 per year. To keep clean the communal parts of the 7-storey Building that seems to us to be a reasonable sum in central London, and there is no evidence that it is not.
87. The 2024/25 cost estimate was of the same value. The Applicants indicated orally that in their view insufficient time was spent by the Building's cleaner doing that work to justify the payment, or perhaps put another way, that less work was needed. The tribunal bears in mind that the common parts of the building are not constantly in view to any leaseholder. There is no evidence that the cleaning service provided was unreasonably expensive.
88. In the circumstances, the tribunal finds that the Applicants' share of this cost is reasonable and payable by them.

Fire Safety - £1,300

89. The Respondent is entitled by the Lease to employ '*professional persons as may be necessary or desirable for the proper maintenance safety and administration of the building*' [65].
90. This work covers periodic testing of the fire alarm system, and checks of signage and the electrical system [549], which the tribunal considers appropriate in principle.
91. The Applicants insist on 'strict proof', and say that no supplier invoice, report, scope of works or proof of payment has been identified. The Respondent says that this service charge element was an estimate for £1,300, based on the previous year's actual expenditure. In fact, says the Respondent, actual expenditure was considerably lower, in part due to the engagement of Axe.
92. There is no evidence that this estimated cost is unreasonable. The Applicants' share of it is payable by them.

Communal Electricity 2025/26

93. The Respondent is obliged to provide lighting and pay for the electricity used to do so: Lease Schedule 6 clause 3 and 4 [60].

94. This was a £600 estimate in respect of the standing and energy charge for electricity supply to the Building's common parts. It was based on the previous year's expenditure of £506.
95. The Applicants accept that this item is payable in principle. They query its amount, but provide no evidence suggestive of the estimate's unreasonableness.
96. In the circumstances, the tribunal determines that the Applicants' share of this cost is payable by them.

Directors Insurance D&O 2025/26 - £450

97. The Lease requires the Respondent to insure the Management Company's officers in respect of third party and public liability risks [62] and to pay '*managerial expenses as may be necessary for the maintenance and running of the Building*' [65].
98. The Applicants say "*No matching invoice, policy, lease basis, beneficiary analysis, authority or reasonableness evidence has been supplied.*"
99. The cost on 25/03/24 was £438.10 [428]. The Respondents budgeted for this cost for the 2025/26 year on the basis of the previous year's premium, with the actual premium being proximate, at £476 [261]. The actual cost on 22/02/26 is said to have been £614.30 [441].
100. It is not mandatory or otherwise inevitable that the members or officers of a company such as the Respondent are insured in case their personal conduct is called into question, and their personal legal liability is at least partially protected as a matter of law by the very existence of the Respondent, a limited company. However, defending legal action brought against individual officers, whether that action was well-founded or otherwise, would inevitably prove expensive and time-consuming, and the tribunal considers that it is reasonable in principle to insure against the risk of such action being brought.
101. There being no evidence of the cost being unreasonable, in the circumstances the tribunal considers the Applicants' share of it is payable.

Legal & Professional Fees - £300

102. Schedule 6 clause 12 of the Lease requires the Respondent to pay '*managerial expenses as may be necessary for the maintenance and running of the Building*' [65]."

103. The Applicants' Scott Schedule entry reads "*Disputed. No invoice, purpose, lease basis or allocation has been provided. To the extent this is litigation or company governance cost, recoverability through service charge is not admitted.*"

East Anglia Fire Door Inspection - £200

104. The Respondent is entitled by the Lease to employ '*professional persons as may be necessary or desirable for the proper maintenance safety and administration of the building*' [65].
105. This work relates to the checking of fire doors in a large property, which are essential to the safety of its occupants whose escape routes might be very few in the event of a fire and so need to be able to remain safe where they are.
106. The invoiced cost on 26 March 2024 was £350 [429].
107. There being no evidence of the cost being unreasonable, in the circumstances the tribunal considers the Applicants must pay their share of it.

Accountancy & Audit - £150

108. The Respondent is entitled by the Lease to employ '*professional persons as may be necessary or desirable for the proper maintenance safety and administration of the building*' [65].
109. This cost relates to the preparation of company accounts. The work is not likely to be complicated or take a great deal of time given the nature of the Respondent as a company, but its cost is modest, there is no evidence of the cost being unreasonable, and in the circumstances the tribunal considers the Applicants' share of it is payable by them.

Company Secretarial - £350

110. The Lease obliges the Respondent to '*ensure at all times that it complies with the Companies Acts for the time being in force*' [65].
111. The Applicants accept that the Respondent must make Companies House returns, but contend that this fee should have been subsumed within the management fee for LRPM. They say this item is "*Disputed pending proof. AXE asserts board approval but has not provided appointment, invoice, board minutes/resolution, management agreement or lease basis. The item is relevant because company-secretary costs also appear in the later 2026/27 budget.*"

112. There is in the tribunal's view no requirement on the Respondent to provide much, or perhaps any, of the information the Applicants say they require. The question for the tribunal is whether this estimate of cost is reasonable and payable under the lease.
113. The Respondent being a registered limited company, some company secretarial work is inevitable. We have considered the cost. The work required of the company secretary for a company such as the Respondent is likely to be modest, and it is altogether possible that other providers might offer the same service for less, but we consider this a reasonable sum nonetheless, the Applicants have established no case that it is not, and so the Applicants must pay their share of it.
114. In the circumstances, the tribunal determines that the Applicants' share of this cost is reasonable and payable by them.

Property Damage

115. This was a £702 charge in respect of leak detection [422] and £434.20 in respect of its repair [423].
116. The Respondent contends that a water leak onto the ceiling of the Building's basement Flat 1 had occurred. A leak survey was conducted and it was apparently determined that the source of the leak was the shower in the Property.
117. The tribunal considers that it is reasonable for a landlord or managing agent to investigate water ingress which appears to emanate from one property into another. If repair cannot be achieved in another way, it is also reasonable for steps to be taken to avert further damage.
118. There being no evidence of its unreasonableness, the tribunal determines that the Applicants' share of this cost is reasonable and payable by them.

Matters outside scope

119. Other matter addressed in the Scott schedule relate to the service charge year 2026/27, or to other matters which the tribunal deems cannot be adjudicated on in these proceedings:

A2 insurance-related transaction / A3 insurance mismatch

120. The complaint here relates to £6,894.33, being the Building insurance premium for 2026/27 [351, 355]. Since this was not the subject of the application, the tribunal makes no finding in respect of it.

2025/26 Flat 2 missing demand pack

121. This item relates to demands [95] made of the Applicants in respect of service charge payments that the Respondent contended they owed. It is not a service charge, so the tribunal has no jurisdiction to determine anything relating to it.

Yun disclosure and reconciliation

122. This complaint relates to reconciliation between the Building's service charge account, bank statements, and budget, which is not within the tribunal's power to determine, nor within the scope of this case.

A1 opening balance

123. This complaint relates to more reconciliation: this in respect of the handover of funds between LRPM and Axe. It is not within the tribunal's power to determine, and not within the scope of this case.

A2 unreconciled transactions

124. The Applicants contend that the Respondent "*must prove the policy, premium invoice, payment, split between buildings / terrorism / D&O / fees, nonduplication, lease basis, Flat 2 apportionment and reasonableness*".
125. During the hearing the Applicants submitted the Respondent should have engaged in a consultation exercise in respect of this insurance policy valued at £6,849.33.
126. The tribunal considers this item out of the scope of this process, since it relates to the 2026/27 year. The Applicants may wish to familiarise themselves with the terms of s20ZA(2) of the 1985 Act.

Applications under s.20C and paragraph 5A

127. The Applicants have applied for orders under section 20C of the 1985 Act, and under paragraph 5A of Schedule 11 to the 2002 Act. A Section 20C application is for an order that the whole or part of the costs incurred by the Respondent in connection with these proceedings cannot be added to the Applicants' service charge. A paragraph 5A application is for an order that the whole or part of the costs incurred by the Respondent in connection with these proceedings cannot be charged to the Applicants as an administration charge under their lease.
128. The Applicants submitted that they had to apply to the tribunal to secure the information they had sought and so shouldn't be liable for the

Respondent's costs of defending the proceedings. They said that they had the right to understand how the building was managed, and had the right to apply to the tribunal.

129. The Respondent said that the application was misconceived, and that substantive responses had been given in correspondence [78-87].

130. Amongst other considerations the tribunal bore in mind that:

130.1. our substantive determinations above mean that the Applicants' degree of success in their challenge to the various service charge sums is extremely limited

130.2. it is right that much of the material before the tribunal was supplied to the Applicants by the Respondent following the making of the application, but it is also the case that the application was made months before the end of the Building's service charge year. The process of reconciliation between estimated and actual expenditure, or final accounting for actual expenditure, could not have begun until late March 2026

130.3. it was the Applicants' absolute right to bring their application. It was also their decision to bring it when they did, to conduct it as they have, and to maintain the application to a contested hearing. The right to bring an application does not incorporate impunity from bearing that application's cost to others

130.4. as is amply demonstrated by their submissions, orally and in writing, and by their detailed cross-referenced reliance on a great deal of evidence, the Applicants are intelligent well-educated and extremely articulate individuals who make regular reference to legal and other provisions to make their case: they must be taken to be well aware of the consequences in time and resource of the demands they have made of the Respondents prior to and during these proceedings

130.5. the Respondent has been in place throughout 2025/26, but it is a leaseholder-controlled entity staffed by volunteers which necessarily delegates the execution of much of its functions – it was easily foreseeable that the mid-year changeover between LRPM and Axe would result in a lack of continuity

130.6. the tribunal considers the Applicants made unnecessarily lengthy, demanding, and combative requests in correspondence for a far greater breadth and depth of information than they were reasonably entitled to, at least within the proceedings, and

130.7. that if the tribunal determined that the Applicants should not contribute to the Respondents' costs then, this being a not-for-profit

leaseholder-owned single-property landlord, the Building's other leaseholders would inevitably have to bear those costs.

131. For those reasons, the tribunal determines that it is not just and equitable in the circumstances for an order to be made under section 20C of the 1985 Act, and so makes no such order. For the same reasons, the tribunal determines that it is not just and equitable in the circumstances for an order to be made under paragraph 5A of Schedule 11 to the 2002 Act and similarly makes no such order.
132. The tribunal's decisions in this section do not mean that the Respondent necessarily may, nor if it may will, charge its costs of these proceedings to the Applicants by way of service charge or administration charge, and nor does the tribunal adjudicate on the quantum of any such cost. Those are assessments and decisions to be made by the Respondent in due course, and could potentially be reviewed by the tribunal were a future application made.

Name: Judge Himsworth

Date: 2 October 2026

Rights of appeal

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

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

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

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

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

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

Appendix 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 provision of services or the carrying out of works, only if the services or works are of a reasonable standard; and the amount payable shall be limited accordingly.

(2) Where a service charge is payable before the relevant costs are incurred, no greater amount than is reasonable is so payable, and after the relevant costs have been incurred any necessary adjustment shall be made by repayment, reduction or subsequent charges or otherwise.

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.

(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 of an application under subsection (1) or (3).

(7) The jurisdiction conferred on the appropriate tribunal in respect of any matter by virtue of this section is in addition to any jurisdiction of a court in respect of the matter.

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 leasehold valuation tribunal or the First-tier 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 the county court;

(aa) in the case of proceedings before a residential property tribunal, to a leasehold valuation tribunal;

(b) in the case of proceedings before a leasehold valuation tribunal, to the tribunal before which the proceedings are taking place or, if the application is made after the proceedings are concluded, to any leasehold valuation tribunal;

(ba) in the case of proceedings before the First-tier Tribunal, to the 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 the 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.

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](#)

- (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.