



LONDON RENT ASSESSMENT PANEL

DECISION OF THE LEASEHOLD VALUATION TRIBUNAL ON APPLICATIONS
UNDER SECTION 27A OF THE LANDLORD AND TENANT ACT 1985

Case Reference: LON/00BB/LSC/2012/0587

Property: Navigation Court, 1 Gallions Road, London
E16 2QL

Applicant: One Housing Group Limited

Respondents: The leaseholders of 29 flats as per Appendix 2

Date of hearing: 21st January 2013

**Date of reconvene for
decision** 15th March 2013

**Appearance for
Applicant:** Mr W Ahmed, in-house lawyer

**Appearance for
Respondents:** Mr L Lee, joint leaseholder of Flat 703

Also present: Ms B Costa and Mr M Saye for the Respondent
Mrs L Lee (joint leaseholder of Flat 703), Mr C
Monk (joint leaseholder of Flat 608), Mr G
Cannon (joint leaseholder of Flat 608), Ms L
Knight (leaseholder of Flat 507), Ms S Bardalez
(leaseholder of Flat 405), Ms V Richardson
(leaseholder of Flat 602), Mr J Wrubel
(leaseholder of Flat 701), Ms T Reid (leaseholder
of Flat 506), Mr P Youles (leaseholder of Flat 606)
and Mr O Carzim (leaseholder of Flat 408)

**Leasehold Valuation
Tribunal:** Mr P Korn (chairman)
Mr N Martindale FRICS
Mrs L Walter MA (Hons)

Date of decision: 9th April 2013

Decisions of the Tribunal

The Tribunal makes the following determinations:-

- The estate service charges are disallowed in their entirety (and are therefore not payable) in relation to each year covered by the application, namely 2006/2007 through to 2011/2012 inclusive.
- In relation to the block service charges the amounts payable for each service charge year (for the block as a whole) are as set out in the **Schedule** to this decision.
- Whilst this does not form part of the formal determination, it is noted that the Applicant has agreed to refund the CCTV initial installation costs and penalty costs referred to in paragraph 22 below.
- Although the Applicant stated that it would not be seeking to put its costs through the service charge, for the avoidance of doubt the Tribunal orders, pursuant to section 20C of the Landlord and Tenant Act 1985 ("**the 1985 Act**"), that the Applicant may not add to the service charge any of the costs incurred by it in connection with these proceedings.

The application

1. The Applicant sought a determination pursuant to section 27A of the 1985 Act as to the Respondents' liability to pay, and the reasonableness of, the estate and block service charges for the years 2006/2007 through to 2011/2012 inclusive.
2. The relevant legal provisions are set out in Appendix 1 to this decision.

The background

3. The Respondents hold the relevant units within the Property on a series of long leases, a copy of one of which is included within the hearing bundle. All of the leases are stated by the Applicant to be on the same terms for all relevant purposes.
4. The Tribunal did not inspect the block containing the Property, nor the estate of which the block forms part. Neither party requested an inspection and, given the nature of the issues, the Tribunal did not consider that one was necessary.
5. The breadth of the application – covering every single service charge item over a 6 year period – is such that the Tribunal considers it neither practical nor useful to summarise the contents of the extensive hearing bundles or to summarise the cases presented by each party in much detail. Instead, the Tribunal will confine itself to confirming that it has noted the relevant contents

of the hearing bundles and the various arguments made by or on behalf of the parties and to recording briefly what it considers to be the salient points made by each party.

6. The Applicant is the Respondents' immediate landlord but is not the freeholder, and the Applicant passes on to each of its leaseholders a proportion of the estate service charge invoiced to it by the freeholder.

Submissions in connection with the Estate Service Charge

7. The Applicant submitted that the charges were based on the terms of the leases and that any administrative errors were corrected as soon as possible. The Applicant took the Tribunal through the definition of the Estate Service Charge in the headlease and the subleases. The Tribunal questioned the Applicant regarding the definition of the Estate for the purposes of the Estate Service Charge, and Mr Ahmed for the Applicant tried to explain the position as best he could. The Tribunal also questioned Mr Ahmed regarding apparent discrepancies within the service charge accounts and regarding the way in which the accounts (particularly those for the years 2006/07, 2007/08, 2008/09 and 2011/12) had been put together, and again he tried to explain the position as best he could.
8. The Applicant conceded that it had been having difficulty in obtaining information from the estate managing agents. The Tribunal asked for evidence that the Applicant had pressed its landlord or the landlord's managing agent for more information on the estate service charge, but the Applicant – whilst claiming that such evidence existed – was unable to produce any relevant copy correspondence or other relevant evidence.
9. The Respondents submitted that the Applicant had failed to demonstrate that the charges had been properly incurred and/or fairly apportioned. They had been in dispute with the Respondent since 2008 and had lost confidence in the Applicant due to what they saw as a lack of transparency and poor access to copy invoices and other relevant records.
10. The Respondents had specific concerns regarding their contributions towards employment costs. As they understood it, their block paid one-third of the estate-wide employment costs but they did not feel that they received an equal service to that enjoyed by the rest of the estate. In particular they felt that the estate staff were failing to look after the CCTV serving their block and their general security needs, and their doorsteps were not being gritted when there was snow.
11. As regards insurance, the Respondents were unclear what the estate insurance costs actually covered, particularly as the only estate building which was not part of one of the blocks was a small room. On electricity, the Respondents found the apportionment method unclear, and as a general point the Applicant appeared to have been billing the Respondents the estate service charge on

the basis of a block service charge percentage of the total estate service charge, which conflicted with the apportionment method specified in the leases.

Submissions in connection with the Block Service Charge

Building insurance

12. The Respondents did not argue that the amounts being charged were necessarily unreasonable, merely that on the basis of the information provided to them they did not know how they had been arrived at and for example whether there were separate policies for leaseholders and tenants. No copy insurance policies had been supplied.
13. The parties and the Tribunal went through the figures together to establish what the Applicant seemed to be charging in each year.

Electricity

14. The Respondents expressed dissatisfaction that the Applicant had been unable to provide copy supporting invoices for all of these charges. They also failed to understand how the charges could have risen from £6,781 in 2010/11 to £18,890 in 2011/12.
15. Mr Ahmed for the Applicant conceded that these charges did seem to be too high at times, and he agreed that a charge of more than £15 per month per flat was unreasonable.

Water

16. The Respondents again expressed dissatisfaction that the Applicant had been unable to provide copy supporting invoices for all of these charges. Mr Ahmed for the Applicant suggested that the charges were higher than they would otherwise be, because there were no meters and the charges therefore included personal use as well as communal use.

Cleaning

17. The Respondents queried the large increase from £4,415 in 2010/11 to £13,725 in 2011/12. They also raised various accounting queries in respect of earlier years, including apparent duplication and discrepancies and missing copy invoices. In addition, they were of the view that the cleaning contract was a long term qualifying agreement in respect of which the Applicant was obliged to consult leaseholders under section 20 of the 1985 Act but did not do so.

18. The Applicant denied that the cleaning contract was a long term qualifying agreement. It was accepted that there did seem to be a double charge for April in 2009/10 but otherwise the Applicant did not accept the Respondents' arguments.

Window cleaning

19. The Respondents said that they had never seen the windows being cleaned and that many of the windows were filthy and had been for years. The Applicant maintained that the windows had been cleaned and that no complaints had been received previously.

Sinking fund

20. The Respondents' main argument seemed to be that major repairs were going through the sinking fund but that only leaseholders were contributing to the sinking fund.

TV aerial maintenance

21. The Respondents submitted that some of the work which had been charged for related to the interior of individual flats. Mr Ahmed for the Applicant said that the Applicant did not fix leaseholders' individual TV systems and therefore all of the costs had to relate to the communal system.

CCTV

22. The Respondents said that the Applicant had been unable to provide copy supporting invoices for all of these charges. They also queried whether certain late payment charges and what appeared to be the initial installation cost should have been put through the service charge, and the Applicant conceded that both of these elements should not have been passed on to leaseholders.

Fire alarm maintenance

23. The Respondents did not understand why the cost had fluctuated so much over the years. They also wondered whether the contract was a long term qualifying agreement and therefore whether they should have been consulted. As regards consultation, the Applicant's response was that even if it should in principle have consulted the charge per year was generally less than the threshold of £100 per flat per year.

Lift maintenance

24. The Respondents were broadly satisfied with these charges.

Bulk rubbish

25. The Respondents felt that the cost could have been kept lower by better use of CCTV to catch anti-social creation of rubbish and also felt that some of the charges were just borne by leaseholders and not by tenants. The Applicant denied that only leaseholders were charged.

Audit fees

26. The Respondents expressed dissatisfaction that the Applicant had been unable to provide copy supporting invoices for many of these charges and also argued that the auditors had made errors and therefore had not provided a good service.

General maintenance

27. The Respondents again expressed dissatisfaction that the Applicant had been unable to provide copy supporting invoices for many of these charges.

Management fee

28. The Respondents found the way in which the management fees had been expressed in the accounts very confusing, in particular the estate and block management costs seemed to have been rolled into one in some years. The fee had also fluctuated and no explanation had been provided for this.

Entryphone

29. The only issue raised by the Respondents was that not all of the figures seemed to tally for the 2008/09 service charge year.

Tribunal's analysis regarding Estate Service Charge

30. The Tribunal has noted the submissions made on behalf of both parties and the Applicant's response to the Tribunal's queries. The Tribunal has also gone through the copy service charge accounts and supporting information for each year.
31. The Tribunal found the Applicant's case to be very weak in relation to the estate service charge. There seem to the Tribunal to be significant discrepancies between the Applicant's title document, the Respondents' leases and the superior lease in relation to the definition of the estate, and the Applicant was simply unable plausibly to explain what the extent of the estate actually was. As the possible options as to the size of the estate are wide-ranging, this is considered by the Tribunal to be a fundamental problem, especially as it is the Applicant who is asking the Tribunal to confirm that the estate service is

reasonable and properly payable in its entirety for each of the six years to which the application relates.

32. In addition, the estate service charge element of the service charge accounts for all years other than 2009/10 and 2010/11 has not been separated out from the block service charge in a way that makes it possible even to have confidence how much it is. Even in relation to 2009/10 and 2010/11, the estate service charge is not broken down in a manner that makes it possible to understand what it comprises and whether each individual head of charge might be reasonable for the sort of service provided.
33. In addition, there were a large number of seemingly clear errors in the service charge accounts which the Applicant was unable to explain. There was no evidence in front of the Tribunal which indicated that the Applicant had at any stage made any effort to challenge or understand any of the estate service charge demands received from or on behalf of the superior landlord, and it seemed to the Tribunal that for years the Applicant had simply been passing these demands on to leaseholders without any analysis whatsoever.
34. In addition, the manner in which the Applicant had been apportioning the estate service charge to leaseholders and/or the manner in which the superior landlord had been apportioning it to the block was – on the evidence provided – inconsistent with the apportionment method contained in the Respondents' leases.
35. The Tribunal notes the concerns expressed by the Respondents regarding employment costs, CCTV and insurance, but whilst there might be some validity in the points raised the Tribunal does not consider that the evidence provided in support of them was strong enough. The main issue is that, in the Tribunal's view, the estate service charge figures are simply unreliable for the reasons given above and that they are sufficiently problematic that the Tribunal is not in a position to confirm a specific minimum figure as being reasonable and payable in any one year.
36. In conclusion, therefore, whilst this might seem to the Applicant to be a little harsh, the Tribunal determines that none of the estate service is payable in respect of any of the service charge years 2006/07 through to 2011/12 inclusive.

Tribunal's analysis regarding Block Service Charge

37. Whilst there are a number of issues with the block service charge, it is at least broken down into clear categories in relation to certain of the service charge years and there is some evidence of provision of block services. The Tribunal therefore does have some basis for making a determination as to what would be a reasonable charge for each category of service in each year.

38. However, in the Tribunal's view, the only years in respect of which the Applicant has provided clear, plausible service charge accounts are 2009/10 and 2010/11. In respect of all of the years 2006/07, 2007/08 and 2008/09 the service charge accounts are so unclear and/or implausible that the Tribunal does not consider that any reliance can be placed on them, and the Applicant in its written and oral submissions has been unable adequately to explain them. Unlike with the estate service charge, though, it seems to the Tribunal that it would be unfairly draconian simply to disallow the whole of the block service charge for each of these years. The Tribunal notes that the hearing bundles contain estimates of the various block service charge items in respect of each of those years, and it considers these estimates to be sufficiently clear that they can at least be used as a starting point.
39. In respect of the 2011/12 service charge accounts, whilst aspects of these service charge accounts are unclear, in the Tribunal's view it is just about possible to use them as a starting point to the extent that individual items seem to the Tribunal to constitute block service charge items.

Block building insurance

40. Whilst the Tribunal notes the Respondents' confusion on this issue it has considered the sums apparently charged for each year and considers these sums all to be reasonable based on its knowledge of the insurance market.
41. Therefore, the Tribunal determines that the amount payable in the years 2009/10, 2010/11 and 2011/12 is the amount charged and that the amount payable in the years 2007/08 and 2008/09 is the estimated amount for each of these years (in the absence of clear, plausible service charge accounts).
42. For the year 2006/07, whilst the actual service charge accounts are generally very unclear there is a figure for building insurance which is £3,110. The estimated figure for that year is £5,100, which is significantly out of line with all future years, and the Tribunal considers that the figure of £3,110 is the more plausible figure and that therefore this should be treated as the building insurance figure for 2006/07.

Block electricity

43. The service charge accounts for the years 2006/07 to 2008/09 inclusive and for 2011/12 are extremely unclear. There are also many missing copy invoices and the Applicant has failed to provide a satisfactory explanation for the level of charges, and therefore the Tribunal is unable to confirm that the sums charged are reasonable. In the Tribunal's view, taking what is necessarily a broad-brush approach in the absence of proper accounting and using its knowledge of what is normal to charge in relation to a block such as Navigation Court, the Tribunal considers that a reasonable annual charge for all of the leaseholders in the block would be not more than £4,000 to £4,500.

44. Therefore the Tribunal determines that the amount payable in each of the years 2009/10, 2010/11 and 2011/12 is the lower of (a) the actual amount charged and (b) £4,500 and that the amount payable in each of the years 2006/07, 2007/08 and 2008/09 is the lower of (a) the estimated amount and (b) £4,500.

Block water

45. The 2011/12 figure seems to the Tribunal to be much higher than is reasonable. In the Tribunal's view, the annual charge for all of the leaseholders in the block should not be more than about £9,000. As the figure for 2010/11 is only just above £9,000 then it can stand, but for all other years the Tribunal determines that the amount payable in each of the years 2009/10, 2010/11 and 2011/12 is the lower of (a) the actual amount charged and (b) £9,000. The amount payable in each of the years 2006/07, 2007/08 and 2008/09 is the lower of (a) the estimated amount and (b) £9,000.

Block cleaning

46. Again, the 2011/12 figure seems to the Tribunal to be much higher than is reasonable. In the Tribunal's view, the annual charge for all of the leaseholders in the block should not be more than £5,000. Therefore the Tribunal determines that the amount payable in each of the years 2009/10, 2010/11 and 2011/12 is the lower of (a) the actual amount charged and (b) £5,000. The amount payable in each of the years 2006/07, 2007/08 and 2008/09 is the lower of (a) the estimated amount and (b) £5,000.

Block window cleaning

47. The Respondents did not generally complain about the quality of service in respect of most of the block service charge items, but they were adamant that window cleaning was a service that was not carried out at all and that the windows were filthy. Whilst the Applicant's assertion that they had not previously complained is noted, on the balance of probabilities the Tribunal accepts the Respondents' evidence on this point and determines that nothing is payable in respect of any of the years of dispute in respect of window cleaning.

Block sinking fund (also sometimes known as 'reserve fund')

48. The Tribunal did not consider the Respondents' challenge on this item to be sharp enough or strong enough. However, it does consider – in the absence of any detailed relevant evidence from the Applicant as to actual costs incurred – that the sinking fund contribution should not exceed £8,000 in any one year, and therefore the Tribunal determines that the amount payable by way of sinking fund contribution in each of the years 2009/10, 2010/11 and 2011/12 is the lower of (a) the actual amount charged and (b) £8,000. The amount payable in each of the years 2006/07, 2007/08 and 2008/09 is the lower of (a) the estimated amount and (b) £8,000.

Block TV aerial maintenance

49. The Tribunal did not consider the Respondents' challenge on this item to be sharp enough or strong enough and therefore determines that the charge for TV aerial maintenance in each of the years 2009/10, 2010/11 and 2011/12 is fully payable. The amount payable in each of the years 2006/07, 2007/08 and 2008/09 is the estimated amount (in the absence of clear, plausible service charge accounts for those years).

Block CCTV

50. The Applicant accepted that the Respondents should not be charged for the initial installation costs and that the penalty costs should not have been passed on. These should therefore all be refunded. Otherwise the CCTV charges in each of the years 2009/10, 2010/11 and 2011/12 are payable in full. The amount payable in each of the years 2006/07, 2007/08 and 2008/09 is the estimated amount (in the absence of clear, plausible service charge accounts for those years).

Fire alarm maintenance (also known as 'fire equipment')

51. It appears to have been conceded by the Applicant that it was obliged to consult leaseholders in relation to this contract – on the basis that it was a long term qualifying agreement – but failed to do so. Therefore the charge is capped at a maximum of £100 per year per leaseholder.

Block lift maintenance

52. There was no challenge to the lift maintenance charges, which are payable in full in each of the years 2009/10, 2010/11 and 2011/12. The amount payable in each of the years 2006/07, 2007/08 and 2008/09 is the estimated amount (in the absence of clear, plausible service charge accounts for those years).

Block bulk rubbish (also sometimes known as 'bulk refuse')

53. The Tribunal did not consider the Respondents' challenge on this item to be sharp enough or strong enough and therefore determines that the charge for bulk rubbish in each of the years 2009/10, 2010/11 and 2011/12 is fully payable. The amount payable in each of the years 2006/07, 2007/08 and 2008/09 is the estimated amount (in the absence of clear, plausible service charge accounts for those years).

Audit fees

54. In the Tribunal's view, the service charge accounts contain many errors and inconsistencies and have been put together in such a poor and confusing

manner that it is impossible to make proper sense of them. The audit fees are therefore disallowed in their entirety for each year.

Block general maintenance (also sometimes known as 'minor repairs' or 'day to day maintenance')

55. The Tribunal notes the Applicant's inability to produce copy invoices for many of these items and in the absence of persuasive evidence from the Applicant to justify the level of charges the Tribunal considers a reasonable annual charge to be no more than £2,500. Therefore the Tribunal determines that the amount payable by way of general maintenance in each of the years 2009/10, 2010/11 and 2011/12 is the lower of (a) the actual amount charged or (b) £2,500. The amount payable in each of the years 2006/07, 2007/08 and 2008/09 is the lower of (a) the estimated amount and (b) £2,500.

Block management fee

56. Aside from certain specific concerns, for example in relation to window cleaning and rubbish clearance, the Respondents do not appear to have had many issues with the **carrying out** of the block services. However, the **paperwork** has been extremely poor, and this is largely a management failing. Whilst in the Tribunal's view the amount charged for management each year would be a reasonable charge for a good service, as there have been failings the Tribunal (necessarily using a broad-brush approach) considers that the management fee should be reduced by 30% in each of the years 2009/10, 2010/11 and 2011/12 to reflect these failings and that the estimated management fee should be reduced by 30% in each of the years 2006/07, 2007/08 and 2008/09.

Entryphone

57. There was no challenge to the entryphone charges, which are payable in full in each of the years 2010/11 and 2011/12. The amount payable in each of the years 2006/07, 2007/08 and 2008/09 is the estimated amount (in the absence of clear, plausible service charge accounts for those years). There is no charge recorded in the service charge accounts for 2009/10.

Pest control 2009/10

58. There was no real challenge to the pest control charges for 2009/10 which are payable in full.

Consultancy fee 2011/12

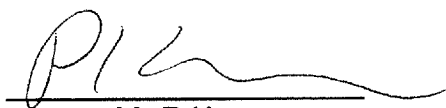
59. There was no real challenge to the consultancy fee for 2011/12 which is payable in full.

Costs

60. The Applicant stated that it would not be putting any costs incurred by it in connection with these proceedings through the service charge. However, for the avoidance of doubt, in view of the various weaknesses in the application and in the Applicant's submissions, the Tribunal orders that none of the costs incurred by the Applicant in connection with these proceedings are to be regarded as 'relevant costs' for service charge purposes and therefore that the Applicant is not to add any of those costs to the service charge.

61. No other cost applications were made.

Chairman:


Mr P Korn

Date:

9th April 2013

SCHEDULE**Block Service Charge - amounts payable 2006/2007**

<u>Service charge item</u>	<u>Amount (£)</u>
Building insurance	3,110
Electricity	1,500
Water	9,000
Cleaning	3,600
Window cleaning	0
Sinking fund	8,000
TV aerial maintenance	0
CCTV	0
Fire alarm maintenance	0
Lift maintenance	500
Bulk rubbish	0
Audit fees	0
General maintenance	800
Management fee	4,140.78
Entryphone	0
Other	0

Block Service Charge - amounts payable 2007/2008

<u>Service charge item</u>	<u>Amount (£)</u>
Building insurance	3,500
Electricity	1,500
Water	9,000
Cleaning	3,900
Window cleaning	0
Sinking fund	8,000
TV aerial maintenance	0
CCTV	0
Fire alarm maintenance	0
Lift maintenance	1,000

Bulk rubbish	0
Audit fees	0
General maintenance	1,000
Management fee	2,536.80
Entryphone	0
Other	0

Block Service Charge - amounts payable 2008/2009

<u>Service charge item</u>	<u>Amount (£)</u>
Building insurance	2,200
Electricity	4,000
Water	5,000
Cleaning	3,900
Window cleaning	0
Sinking fund	8,000
TV aerial maintenance	0
CCTV	0
Fire alarm maintenance	700
Lift maintenance	2,000
Bulk rubbish	0
Audit fees	0
General maintenance	1,000
Management fee	2,198
Entryphone	0
Other	0

Block Service Charge - amounts payable 2009/2010

<u>Service charge item</u>	<u>Amount (£)</u>
Building insurance	1,978.71
Electricity	4,500
Water	5,954.42
Cleaning	4,963.96
Window cleaning	0

Sinking fund	7,034.28
TV aerial maintenance	106.90
CCTV	130.77
Fire alarm maintenance	839.96
Lift maintenance	1,299.11
Bulk rubbish	590.97
Audit fees	0
General maintenance	1,907.73
Management fee	2,411.15
Entryphone	0
Pest control	692.19
Other	0

Block Service Charge - amounts payable 2010/2011

<u>Service charge item</u>	<u>Amount (£)</u>
Building insurance	2,199.01
Electricity	4,500
Water	9,245.68
Cleaning	4,415.14
Window cleaning	0
Sinking fund	7,034.05
TV aerial maintenance	648.10
CCTV	345.45
Fire alarm maintenance	3,266.07 <i>[but see note below]</i>
Lift maintenance	1,046.18
Bulk rubbish	267.39
Audit fees	0
General maintenance	2,315.73
Management fee	2,726.13
Entryphone	316.70
Other	0

Note: Where a leaseholder's contribution towards the fire alarm maintenance charge would otherwise exceed £100 it shall be reduced to £100.

Block Service Charge - amounts payable 2011/2012

<u>Service charge item</u>	<u>Amount (£)</u>
Building insurance	2,264.99
Electricity	4,500
Water	9,000
Cleaning	5,000
Window cleaning	0
Sinking fund	7,034.28
TV aerial maintenance	0
CCTV	275.92
Lift maintenance	1,637.68
Bulk rubbish	72.00
Audit fees	0
General maintenance	2,500
Management fee	4,585
Entryphone	0
Lightbulb replacement	626.87
Consultancy fee	615.09
Other	0

APPENDIX 1

Appendix of relevant legislation

Landlord and Tenant Act 1985

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 a leasehold valuation 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 a Leasehold valuation 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 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 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 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;
 - (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.

Flat 404	Mr M J Joachin	Navigation Court	1 Gallions Road	London	E16 2QL	OHG
██████	██████████████████	██████████	1 Gallions Road	London	E16 2QL	OHG
██████	██████████████████	██████████	1 Gallions Road	██████	██████	OHG
██████	██████	██████████	██████████	██████	██████	██████
██████	██████████	██████████	██████████	██████	██████	██████
Flat 504	Mr U Isigollu	Navigation Court	1 Gallions Road	London	E16 2QL	OHG
Flat 508	Mr R King	Navigation Court	1 Gallions Road	██████	██████	OHG
Flat 601	Ms S Young	Navigation Court	1 Gallions Road	██████	██████	OHG
██████	██████████	██████████	1 Gallions Road	██████	██████	OHG
██████	██████████	██████████	1 Gallions Road	██████	██████	OHG
██████	██████████	██████████	1 Gallions Road	██████	██████ 2QL	OHG
██████	██████████████████	██████████	1 Gallions Road	London	E16 2QL	OHG
██████	██████████████████ uro	██████████	1 Gallions Road	London	E16 2QL	OHG
Flat 704	Mr G Wilson	Navigation Court	1 Gallions Road	London	E16 2QL	OHG
██████	██████████	██████████	1 Gallions Road	London	E16 2QL	OHG
██████	██████████	██████████	1 Gallions Road	London	E16 2QL	OHG
██████	██████████	██████████	1 Gallions Road	██████	██████	OHG
██████	██████████	██████████	1 Gallions Road	London	E16 2QL	OHG
██████	██████████	██████████	1 Gallions Road	London	██████	OHG
Flat 501	Ms M Kington	Navigation Court	1 Gallions Road	London	██████	OHG
██████	██████████	██████████	1 Gallions Road	London	██████ 2QL	OHG
██████	██████████	██████████	1 Gallions Road	London	██████ 2QL	OHG
██████	██████ Knight	██████████	1 Gallions Road	London	██████	OHG
Flat 603	Mr H Zahdeh	Navigation Court	1 Gallions Road	London	██████ 2QL	OHG
Flat 604	Mr J & Mrs K Morley	Navigation Court	1 Gallions Road	London	██████ 2QL	OHG
██████	██████████	██████████	1 Gallions Road	London	██████ 2QL	OHG
██████ 7	██████████	██████████	1 Gallions Road	London	E16 2QL	OHG
Flat 702	Mr S Ryder	Navigation Court	1 Gallions Road	London	E16 2QL	OHG
Flat 703	Mrs L Lee	Navigation Court	1 Gallions Road	London	E16 2QL	OHG

APPENDIX 2