11487

FIRST-TIER TRIBUNAL
PROPERTY CHAMBER
(RESIDENTIAL PROPERTY)

Case Reference	:	**LON/00AE/LSC/2015/0468**
Property	:	**6A Dog Lane, Willesden, London NW10 1PP**
Applicant	:	**London Borough of Brent**
Representative	:	**Mr Phillip Patterson- Counsel**
Respondent	:	**Mr Michael King**
Representative	:	**In person**
Also in attendance	:	**Mr C Robert – Leasehold Manager** **Ms S Mushtaq – Legal assistant for the Applicant**
Type of Application	:	**For the determination of the reasonableness of and the liability to pay a service charge**
Tribunal Members	:	**Ms M W Daley LLB (hons)** **Mr J F Barlow FRICS**
Date and venue of Hearing	:	***7 March 2016 at 10 Alfred Place, London WC1E 7LR***
Date of Decision	:	**20 April 2016**

DECISION

Decisions of the tribunal

(1) The tribunal makes the determinations as set out under the various headings in this Decision.

(2) The tribunal makes an order under section 20C of the Landlord and Tenant Act 1985 [so that none of the landlord's costs of the tribunal proceedings may be passed to the lessees through any service charge].

(3) The Tribunal does not make an order for the reimbursement of the Application fees and in respect of the hearing fees for reasons set out in the determination.

The application

1. The Applicant seeks a determination pursuant to s.27A of the Landlord and Tenant Act 1985 ("the 1985 Act") as to the amount of service charges payable by the Respondent following a transfer of this matter from the county court, pursuant to the order of Deputy District Judge Sherlock dated 23 October 2015.

2. At the case management hearing the Applicant's representative, Mr Carr stated that the sum in issue was £5,371.07.

3. Directions were given by the Tribunal for the hearing of this matter on 24 November 2015 where the following issues were identified to be determined-:

- The reasonableness and payability of service charges for the years March 2004 to the year ending 31 March 2015
- In relation to buildings insurance whether the landlord had insurance for the periods above and whether the cost of insurance was reasonable.
- If raised by the respondent and supported by legal argument, whether the amount recoverable by the applicant is affected by the Limitations Act.
- Whether an order ought to be made under section 20C of the 1985 Act.
- Whether an order for reimbursement of application/hearing fees should be made.

4. The relevant legal provisions are set out in the Appendix to this decision.

The hearing

5. At the hearing, the Applicant was represented by Mr Patterson Counsel, also in attendance on the Applicant's behalf were the parties listed above. The Respondent, Mr King was in attendance and represented himself.

The background

6. Counsel Mr Patterson informed the Tribunal that the background was that the Applicant was an intermediary, in that the Applicant held a lease, and the Respondent a sub- lease of the premises, pursuant to an assignment of the premises to the Respondent in 2003. In 2012 the freehold was purchased by Avon Estates.

7. The premises consist of two adjoining semi- detached Victorian properties which provide 4 flats. The property which is the subject of this application is a self- contained flat 6A owned by the Respondent. Three of the flats were leased to the Applicant, and one was owned by the Freeholder, clause 2 (2) of the lease required the Applicant to pay a three-fourth portion of the costs and expenses set out in the fourth schedule of the lease.

8. The Respondent holds a long lease of the property pursuant to a lease dated 28 March 1988, which was subsequently assigned to the Respondent. The lease requires the landlord to provide services and the tenant to contribute towards their costs by way of a variable service charge. The specific provisions of the lease will be referred to below, where appropriate.

The submissions by the parties to the Tribunal

9. It was conceded by Counsel that for the period 2004-2008, for service charges, the only sum being sought was the amount of £2070.00, which was a sum, previously offered by Mr King for payment of his outstanding service charges. This was the sum that the Tribunal were asked to determine as reasonable and payable.

10. Mr Patterson counsel for the Applicant suggested that the service charges could be considered in three periods 2004 to 2008 and 2008 – 2012 and thereafter 2012 onward. By way of background Mr Patterson set out the liabilities in the head lease that gave rise to the obligations on the Applicant and Respondent. Counsel stated that the head lease dated 19 February 1979 stated that -: *"...the lessors will at all times during the said term insure and keep insured the building against loss or damage by fire and such other risks as the lessors think fit in some insurance office of repute in such sum as the Lessors shall from time to time think fit and whenever reasonably required produce to the Lessee the policy or policies of such insurance and receipt for the last premium for the same..."*

11. Clause 5 (A) 1 of the Respondent's lease stated that the Respondent was required to pay the council in advance such annual amount (hereinafter called "the advance payment") as represents a reasonable part of the estimated expenditure to be incurred by the council..."

12. The Counsel's obligations were set out in clause 6 of the Respondent's lease. Mr Patterson referred to the statement of accounts which was in the Applicant's hearing bundle, which provided details of the charges and the sums claimed by the Applicant for insurance etc.

13. He stated that the council's position was that for the periods 2004-2008 the property was insured in that the freeholder had indicated that the property was insured and the freeholder had billed the Applicant. The service charges that were claimed from Mr King represented ¼ of the costs for insurance. Had the property not been in insured then this would have come to the Applicant's attention. The freeholder had changed and as a result the Applicant had difficulty in getting information from the freeholder.

15. The charges for that period were made up of the insurance plus other head lease charges and a 15% management fee. The freeholder had made no demand for 2007, and therefore nothing had been charged to the Respondent for that period.

16. Mr Patterson referred to the Respondent's offer to pay made on 3 September 2008 (by email). This had been accepted by the Applicant on 15 April 2009.

17. Mr King was asked about this offer, he stated that he had paid the service charges up to 7/10 2003. Mr King had written to the council asking to see copies of the policies, and the demands from the landlord, these had not been provided.

18. In his evidence Mr King stated that he lived in Thailand, and he had offered the sum on the basis of the "nuisance value" of coming to the

UK and also the difficulty of trying to sort matters out over a long distance. He stated that the Applicant had been responsible for insurance, and then suddenly this changed with the freeholder assuming responsibility for the insurance. He had then received a demand for service charges in advance for the sum of £1000, no explanation was provided of what this sum was for or what it represented.

19. In April 2009 Mr Tazafar Asghar an employed barrister wrote to Respondent agreeing to accept his offer, by them Mr King stated that he no longer wished to make that offer as too long had passed and he had effectively withdrawn the offer. After such a delay without further explanation, it was no longer in Mr King's contemplation that this offer was being considered and was likely to be accepted by the Applicant.

20. Mr King wanted details of the insurance and other charges and also wanted to know what the £1000.00, which he had been asked to pay for service charges, was for. Mr Patterson explained that once the Applicant had decided to accept the offer, they had adjusted the account to show only the sum of £2070.00 as payable by the Respondent.

22. In respect of the periods 2008-2012, (which includes the demand for a £1000.00), the Applicant was not seeking to recover service charges for that period 2008-2012, the only sum sought was the ground rent. . The Tribunal noted this concession, which would be reflected in the determination. The Tribunal stated that ground rent was outside the jurisdiction of the Tribunal.

23. Counsel referred to the provision concerning insurance, He stated that in 2012 the freehold of the property was purchased by Avon Estates, he stated that on purchasing the freehold the company arranged for a re-insurance valuation to be carried out. This inspection was undertaken by Michael Grun & Co on 14 November 2012. The report prepared by them (a one page report) stated "... *We recommend that both 4 and 6 Dog Lane should be insured for the following sum ...£855,000.*"

24. Counsel referred to two certificates of Insurance cover provided by AXA, the first certificate had a date of issue of 23.08.2012. In this certificate the declared value of the premises was £350,000. This resulted in an annual property premium of £1051.79. It was submitted by counsel that the figure of £350,000, was an under valuation of the re-build costs.

25. Once this information was submitted to the insurance company there was an increase in the premium. In January 2013, the premium increased to £2,968.09 based on a declared value of £897,750. The sum for service charges invoiced to the Applicant was £3688.09. This was

based on the insurance premium and a management fee of £720.00. The demand served on Mr King (on 24 July 2013) was in the sum of £682.08 for his percentage contribution.

26. For the period 23 July 2014 the demand was for £794.71. This reflected the Head Landlord's Costs, and £50.00 for block repairs. This was based on insurance of £3178.87 together with a management fee of £720.00.

27. The Tribunal were provided with a witness statement from Mr Chris Robert, Leasehold Manager employed by the Applicant. In his statement Mr Robert noted that the premiums were based on the declared value which had increased every year from £350,000 in 2012 to £934,019 in 2015. In his statement Mr Robert noted -:13. *"... I note that the policy covers "the value of the buildings at the time of its damage or for the amount of the damage or our option reinstate or replace the buildings or any part of it. 14. The declared values seem consistent with the value recommended by the surveyor and the cover provided by the policy and is on this basis not unreasonably high...For the reason noted above, I do not consider that the valuation used by the freeholder is unreasonable, It follows that the premiums paid by the freeholder, charged to the Applicant and re charged to the Respondent, are within a reasonable range..."*

28. In his reply, Mr King disputed the declared rebuild value. The Respondent referred to information from the Association of British Insurers the BICs and the Royal Institution of Chartered Surveyors (RICS) formula.

29. In his bundle Mr King had included a document from the Association of British Insurers. This document which was undated stated-: *"The rebuilding cost is estimated to be £100,000 this was based on information and assumptions which were set out in the document which stated-: Quality and facilities make a big difference to the rebuild cost. While the figure above is a reasonable estimate of the likely cost for a good quality flat with typical facilities, a basic quality flat of the same size with minimum facilities might be rebuilt for £84,000 while an excellent quality flat might cost £122,000 to rebuild. The information we based this estimate on was Flat in a purpose built block built with brick external walls(2) and tile roof built around 1950(3) The property is not listed, and does not include any special or unusual features..."*

30. Further in the document it was noted that *"the estimate is based on minimal details..."*

31. Mr King told the Tribunal that he had used this information to arrive at the rebuild value, he had taken the higher estimate of £122,000 and multiplied it by 4 arriving at a figure of £488,000.He stated that the

market value of the premises was not the right basis upon which to determine the rebuild value. Given this he considered that the figure upon which the insurance premiums were based was wrong.

32. Mr King had included quotations in his bundle. Amongst the quotations was a Commercial and Residential quote from AXA, who were the same insurance company used by the landlord dated 22 January 2016. The premium was £734.45 based on a rebuild value of £855,000. The quotation did not include cover for damage caused by fire, lightning, etc. Flood damage was limited to £200.00. Damage caused by subsidence, ground and landslip was not covered. Mr King had also obtained a quotation for the same building in the sum of £2892.55 from the same company however this was with a declared reinstatement value of £4,200.000. There was also no cover for subsidence or accidental damage.

33. Mr King referred to a quote from Aviva for the period 23 October 2012 to 22 October 2013. This quote was for a property in the NW10 area where the flat was situated. The cover was for 6 purpose built flats. The premium was in the sum of £1583.03 which equated to a figure of £263.84 per flat.

34. In his reply to the Applicant's statement of case, Mr King stated that the valuation from Michael Grun was not an independent valuation, as Mr Grun was "part of a network of association with the Gurvitz/Moskowitz property freehold and management empire. Mr King referred to a property listing from Zoopla flat 6 valued by Daniels Estate agents Neasden at £225,000. He used this to produce a valuation of £855,000 for the property.

35. Mr King also considered the management charge to be excessive, given that the head landlord was merely responsible for placing the insurance. He also referred to the £50.00 repair cost and queried what this sum was for.

36. Counsel referred the Tribunal to the case of Avon *Estates (London) Limited and Sinclair Gardens Limited LRX/60/2012*. This case provided a broad summary of the case law, on the reasonableness of service charges where the insurance cover was challenged.

37. Counsel referred to paragraphs 17 and 18 of this case. Quoting from *Forcelux –v- Sweetman* in which it was stated that *"... there are...two distinctly separate matters I have to consider. First, the evidence, and from that whether the landlord's actions were appropriate and properly effected in accordance with the lease... secondly whether the amount charged was reasonable in light of the evidence"*

38. Counsel also submitted that the Tribunal in reaching its determination should consider the admissibility of the evidence supplied by the Respondent, in particular the source of the quotations relied upon, and whether they were reliable considering the limited information available upon which to base the premium. He also stated that the Applicant's witness Mr Robert was satisfied that the insurance was reasonable and payable.

39. He submitted that there must be a reasonable element to the insurance valuation; he stated that the freeholder on obtaining the re-valuation had gone to AXA who were plainly an insurance company of repute. He accepted that the insurance premium was more expensive than the quotes provided by the Respondent. He stated that having got the valuation the final question was that the insurance must be reasonable if it turns out that the events insured against were perfectly reasonable.

40. In reply Mr King stated that the policy included many such matters, for example it provided cover in the event of a gas explosion etc. He also reiterated that Mr Grun had not been independent and in his view had overvalued the premises. He also relied upon evidence of the reputation of Mr Gurvitz and Avon Estates. Mr King stated that the broker who had placed the insurance was not independent. He also stated that the insurance was higher than other policies.

41. Counsel was asked for his submissions on whether a section 20 C order ought to be made. Mr Patterson referred to the tone of the correspondence and other documents from Mr King and the fact that he had made sweeping and wide ranging allegations of fraud. As a result, the ability to resolve the matter had been impaired by the Respondent's behaviour. Counsel also submitted that arguable page 15 of the lease enabled legal cost to be recovered

42. Mr King, did not accept this, he submitted that he would have paid the insurance had he received a proof that there was a policy in place.

The Decision of the Tribunal and the reason for the decision

43. The Tribunal having heard the evidence of both parties and having considering the evidence have made the following findings-:

44. In respect of the period 2004-2008 the Tribunal noted that the sum claimed for service charges was not based on any actual service charges payable by the Respondent. Neither was it asserted that the sum was payable by reason of Section 27 (4) of the Landlord and Tenant Act 1985, in that the respondent had reached an agreement to pay that sum.

45. As it was not asserted that the sum was payable by reason of the agreement of the leaseholder. The Tribunal had to consider whether there was an agreement between the parties, and whether on that basis agreement the Tribunal considered the sum was reasonable and payable.

46. The Tribunal noted that this offer was made in September 2008; it is unfortunate that although both parties accepted that an offer was made; neither had included the email sent by Mr King. Given this, the Tribunal were unable to consider the terms set out in the email, or whether the offer was time limited. Mr King asserted that this offer was made on the basis of the costs and inconvenience of dealing with this matter from Thailand. The Tribunal accept his evidence that this was the basis of the offer rather than as a result of his acceptance that the sum of £2070.00 was outstanding.

47. The Tribunal consider that although Mr King did not assert that this offer was time limited, that it must have been in the contemplation of the parties that this was not an open ended offer. Accordingly was the offer still open for acceptance when the Applicant wrote to the Respondent accepting the offer? In the view of the Tribunal without communication from the Applicant that they were considering the offer, by the end of a period of say, two months the Respondent could reasonably assume that the Applicant did not agree to the proposed offer. The Tribunal also noted that the response was addressed as *"Without Prejudice Save as to Costs"* Accordingly the Tribunal find that there was no agreement as to the sum that was payable for this period.

48. The Tribunal noted that the Applicant was unable to provide any evidence of the service charges that were due for this period. In the absence of any evidence that the sum claimed was payable the Tribunal determines that the sum of £2070.00 is not reasonable and payable.

49. The Tribunal noted that for the period 2008-2012 no service charges were sought by the Applicant, and accordingly find that service charges are not payable for this period.

50. The period 2012-2015. The Tribunal noted that the service charges for this period consisted of insurance and management charges. Mr King asserted that the valuation was incorrect and that the costs of the insurance premium were too high. Mr King sought to put forward an alternative method of valuation, however on the documents before the Tribunal there was no evidence that the valuation was based on the actual property in particular its age and characteristics There was no evidence provided by Mr King which substantially undermined the evidence that the property had been adequately re-valued by the head landlord.

51. The Tribunal also noted that there was a lack of evidence upon which it could rely concerning the reasonable cost of the insurance premium. In his submissions counsel for the Applicant referred to Avon *Estates (London) Limited –v- Sinclair Gardens Investments Limited.* Her Honour Judge Walden-Smith considered the case law on the reasonableness and payability of the costs of insurance premiums. Quoting from this decision at paragraph 18; this stated "*... It was, therefore not necessary for the landlord to "shop around; he will succeed if he effected insurance in accordance with the leases with an insurer of repute. The landlord must prove either that the rate is representative of the market rat, or that the contract was negotiated at arm's length and in the market-place; he will have acted "properly". Evans J*"

52. The Tribunal noted that the insurance was placed with AXA, a well-known insurance company. It was disappointing that there had been no questions asked by the Applicant concerning the broker used, the degree of market testing or whether commission was paid and if so the amount.

53. However the Tribunal have accepted Mr Patterson's submissions on behalf of the landlord and have noted that the quotations provided by Mr King are not like for like and do not provide for the same eventualities.

54. The Tribunal notes in particular the wide terms of the head lease and the discretion it confers that is-"*... the lessors will at all times during the said term insure and keep insured the building against loss or damage by fire and such other risks as the lessors think fit in some insurance office of repute in such sum as the Lessors shall from time to time think fit...*"

55. Accordingly although the Tribunal consider that further enquires ought to have been made by the Applicant, it finds that the costs of the insurance is reasonable and payable.

56. The Tribunal noted that the Applicant sought to recover a management fee. No information was provided as to what work had been carried out by the head landlord. There was no evidence that any work had been undertaken other than placing the insurance. The Tribunal noted that in respect of the demands and other services these were provided by the Applicant, given this in the absence of any justification being put word.

57. The Tribunal noted that under the fourth schedule of the head lease, the freeholder could claim (2).All of the costs of management and staff and (4) all legal and professional expenses which the lessor may consider necessary to be incurred. The Tribunal accepts that costs can be paid for management. However this must be in reference to the premises.

58. The Tribunal noted that no explanation was given as to what was entailed in managing the building, and what the differing roles of the Applicant and the head landlord were for managing the building. Given this, the Tribunal needed to consider what management was actually carried out. For the periods in issue, the only matter which appeared to have been undertaken was placing the insurance and arranging for the valuation. There was no evidence supporting work having been undertaken. The Tribunal considers that the reasonable and payable remuneration for this should be £50.00 per flat for all of the periods in issue, accordingly the Tribunal finds the costs of insurance and the costs of management limited to £50.00 per flat for each of the periods in issue.

Application under s.20C and refund of fees

59. At the Tribunal hearing, the Respondent made an Application, under the provisions of Section 20C of the Landlord and Tenant Act 1985. The Applicant stated that this ought not to be granted because of the manner in which the Respondent conducted himself. The Tribunal notes that his correspondence to some degree lacked temperance. Never the less both the head freeholder and the Applicant are experienced landlords who are aware that there was a degree of understandable frustration faced by the Respondent. The Tribunal has also noted its findings, over the periods in issue, on the basis that the Tribunal has not found exclusively for the Applicant. The Tribunal therefore makes an order under Section 20 C as this is considered just and reasonable in all the circumstances.

60. The Tribunal makes no order for reimbursement of the Application fee. The Tribunal makes no order in respect of the hearing fee. 61. The tribunal has no jurisdiction over ground rent or county court costs. This matter should now be returned to the County Court.

Signed Judge Daley

Dated 20 April 2016

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 the Upper Tribunal, or in connection with arbitration proceedings, are not to be regarded as relevant costs to be taken into account in determining the amount of any service charge payable by the tenant or any other person or persons specified in the application.

(2) The application shall be made—
(a) in the case of court proceedings, to the court before which the proceedings are taking place or, if the application is made after the proceedings are concluded, to a county court;
(aa) in the case of proceedings before a residential property tribunal, to that tribunal;
(b) in the case of proceedings before a residential property tribunal, to the tribunal before which the proceedings are taking place or, if the application is made after the

proceedings are concluded, to any residential property tribunal;

(c) in the case of proceedings before the Upper Tribunal, to the tribunal;

(d) in the case of arbitration proceedings, to the arbitral tribunal or, if the application is made after the proceedings are concluded, to a county court.

(3) The court or tribunal to which the application is made may make such order on the application as it considers just and equitable in the circumstances.

Leasehold Valuation Tribunals (Fees)(England) Regulations 2003

Regulation 9

(1) Subject to paragraph (2), in relation to any proceedings in respect of which a fee is payable under these Regulations a tribunal may require any party to the proceedings to reimburse any other party to the proceedings for the whole or part of any fees paid by him in respect of the proceedings.

(2) A tribunal shall not require a party to make such reimbursement if, at the time the tribunal is considering whether or not to do so, the tribunal is satisfied that the party is in receipt of any of the benefits, the allowance or a certificate mentioned in regulation 8(1).

(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 a leasehold valuation 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 12, paragraph 10

(1) A leasehold valuation tribunal may determine that a party to proceedings shall pay the costs incurred by another party in connection with the proceedings in any circumstances falling within sub-paragraph (2).

(2) The circumstances are where—
(a) he has made an application to the leasehold valuation tribunal which is dismissed in accordance with regulations made by virtue of paragraph 7, or
(b) he has, in the opinion of the leasehold valuation tribunal, acted frivolously, vexatiously, abusively, disruptively or otherwise unreasonably in connection with the proceedings.

(3) The amount which a party to proceedings may be ordered to pay in the proceedings by a determination under this paragraph shall not exceed—
(a) £500, or
(b) such other amount as may be specified in procedure regulations.

(4) A person shall not be required to pay costs incurred by another person in connection with proceedings before a leasehold valuation tribunal except by a determination under this paragraph or in accordance with provision made by any enactment other than this paragraph.

ANNEX - RIGHTS OF APPEAL

1. 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.

2. 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.

3. 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.

4. 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.