11467

FIRST-TIER TRIBUNAL
PROPERTY CHAMBER
(RESIDENTIAL PROPERTY)

Case Reference	:	**LON/00AU/LSC/2015/0069 & LON/OOAM/LSC/2-15/0072**
Property	:	**54 and 56 Great Eastern Street, London EC2A 3QR** **132-136 St John Street, London EC1V 4JT**
Applicants	:	**34 Charlotte Road RTM Company Limited** **132-136 St John Street RTM Company Limited**
Representative	:	**Sterling Estates Limited**
Respondents	:	**Winnett Investments Limited** **Selby Holdings Limited** **St John's Street Limited**
Representative	:	**Herbert Smith LLP**
Type of Application	:	**For the determination of the right to manage under section 84(3)**
Tribunal Members	:	**Judge S O'Sullivan** **Mr N Martindale MRICS** **Mrs L Walter**
Date and venue of Hearing	:	**7 and 8 September 2015 at 10 Alfred Place, London WC1E 7LR**
Date of Decision	:	**12 November 2015**

DECISION

Decisions of the tribunal

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

(2) The tribunal had no applications for costs before it.

The application

1. The Applicants each seek a determination pursuant to s.84(3) of the Commonhold and Leasehold Reform Act 2002 ("the 2002 Act") as to the right to manage. An application is also brought under section 27A of the Landlord and Tenant Act 1985 in relation to the payability and reasonableness of service charges.

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

The hearing

3. The Applicants were both represented by Mr Armstrong of Counsel. Also attending for the Applicants were Mr Antonio Ahmed and Mr Philip Sherreard, both property managers in the employ of Sterling Estates Management Limited ("SEM"). Mr Andrew Lang, a husband of one of the leaseholders also attended. The Respondent was represented by Mr Daniel May, a solicitor from Herbert Smith LLP. Also attending were Mr Weal and Mr Lindsay, both solicitors in the employ of Herbert Smith LLP. Also appearing to give evidence for the Respondent was Mrs Annie Coles.

4. At the commencement of the hearing it was confirmed that the only issues remaining in dispute between the parties was whether the Applicants had each obtained the right to manage and the recoverability of insurance and management fees. Following the expert evidence the issue of major works had been agreed. It was confirmed that although legal fees had been recently invoiced both parties accepted that they did not form part of the application presently before the tribunal.

5. After clarifying the matters in dispute the parties made a joint application for an adjournment to the first open date after 4 weeks. This was made on the basis that the parties wished to have further opportunity to continue their without prejudice negotiations. We heard that various without prejudice offers had been made over the past few days. It was noted that the parties had already been granted a 3 month adjournment. Although the parties submitted that they had not been inactive during this period it was clear that discussions had not been

progressed in earnest until shortly before the hearing. After taking a short break to consider the application the tribunal declined to grant a further adjournment. The parties had already been given a 3 month adjournment. It appeared that very little discussion had taken place during this period until the last few days before the hearing. The tribunal must have regard to its resources. We considered the parties had had ample time to try and reach settlement. The parties were however offered the remainder of that day to see if settlement could be reached but this offer was declined.

6. The tribunal was then addressed on the issue of the admissibility of a small bundle of file notes and emails from SEM's files. Their disclosure had initially been opposed by the Respondent on the basis that they were confidential and SEM owed a duty of confidentiality to the Respondents. However Mr May confirmed that although the accuracy of the file notes was not accepted and he did not consider they took the matter any further, the Respondent was now content for them to be made available.

The background

7. There are two separate applications before the tribunal in relation to two different premises.

8. Firstly, premises at 54 and 56 Great Eastern Street London EC2A 3Qr but are known as 34 Charlotte Road as this is where the front door to the block is located ("Charlotte Road"). Charlotte Road consists of 6 flats and a commercial unit on the ground floor and basement.

9. Secondly premises at 132-136 St John's Street, London EC1V 4JT ("St John Street"). St John Street consists of 7 flats and a commercial unit on the ground floor and basement.

10. Neither party requested an inspection and the tribunal did not consider that one was necessary given the issues in dispute.

The issues

11. The Applicants are each a RTM company. The Respondents are each the respective freeholder of both properties, with Winnett Investments Limited being the freeholder of 34 Charlotte Road and Selby Holdings Limited and St John's Street Limited being the Respondents in relation to St John Street.

12. The Applicants say that they have been represented at all material times by SEM, a firm of managing agents. They were previously the Respondent's managing agents but it is said by SEM that they resigned

in December 2013. This is refuted by the Respondents who say that the management agreement was terminated in May 2014.

13. At the start of the hearing the parties identified the relevant issues for determination as follows:

    (i) Whether the Applicants have acquired the right to manage. In each case the Respondent denies that it was served with a claim notice pursuant to section 79 of the 2002 Act;

    (ii) Secondly whether the sums claimed by the landlord are payable, limited to insurance only.

14. Having heard evidence and submissions from the parties and considered all of the documents provided, the tribunal has made determinations on the various issues as follows.

Did 34 Charlotte Road RTM Company Ltd acquire the right to manage?

15. The Applicant says that it served a claim notice under section 79 of the 2002 Act and that as a result it acquired the right to manage on 27 June 2014 being the date specified in the claim notice pursuant to section 90(2) and (3) of the 2002 Act. The Respondent did not serve a counter notice. It is accepted that if the Applicant did not serve a claim notice it has not acquired the right to manage.

16. The Applicant says that it served the claim notice and relies on a certificate of posting and franked envelope. A copy of the claim notice and proof of posting was included in the bundle.

17. The notice was sent to the following address;

    Winnett Investments Limited

    c/o Stepien Lake Gilbert & Paling

    4 John Street

    London

    WC1N 2EH

18. The tribunal heard that Stepien Lake Gilbert & Paling were the landlord's instructed solicitor *"on various matters"*. The name of the firm has since changed to Stepien Lake LLP and the practice now

operates from 43 Wellbeck Street, London W1G 8DX. The tribunal heard that immediately before serving the notice SEM carried out a search at HM Land Registry to check the correct address at which notices should be served and the address shown was 4 St John Street. The address has since been changed. The Applicant points out that service charge demands have continued to state the Respondent's address as 4 St John Street.

19. The Applicant also relies on the witness evidence of two property managers from SEM who in turn rely on their file notes of various conversations with representatives of the Respondent. It is said that the landlord's representatives confirm receipt of the claim notice and were fully aware of the RTM process. These notes were not included in the bundle as solicitors for the Respondent had raised issues of breach of duty of confidentiality. However they had been made available to the tribunal at the commencement of the hearing (see above).

20. Mr Ahmed confirmed that he used the address as it had been provided to SEM by the Respondent when they took over management of the premises. He informed the tribunal that he made file notes of what he considered to be important conversations. In cross examination he confirmed that he had not sent any emails or letters to follow up on those conversations. He confirmed that there was nothing in the file notes to evidence receipt of the claim notices but gave evidence that in conversations both Mr Ricker and Mrs Coles referred to the right to manage process and in his view had been clearly aware that claim notices had been served in relation to both premises.

21. Mr Sherreard also gave evidence. He informed the tribunal that it was clear to him that in a conversation with Mrs Coles she had had the claim notices before her as she had asked for clarification of the process. Mr Sherreard confirmed that he had carried out the searches at HM Land Registry to confirm the addresses for service.

22. The Applicant says that the key representative of the Respondent is a Will Ricker. His position within the Respondent company is unclear. The Applicant says that it is noteworthy that he has failed to make a witness statement or indeed play any part in the proceedings.

23. The Applicant's main contention was that the claim notice did come to the attention of the Respondent as a matter of fact. However in the alternative the Applicant relied on section 111(2) of the 2002 Act which provides that a claim notice may be served at an address specified in section 111(3). This is the address *"last furnished to a member of the RTM Company as the landlord's address for service in accordance with section 48 of the 1987 Act"*. It is the Applicant's case that the address furnished under section 48 is SEM's address. It is said that SEM clearly had a notice in its possession having served the notice on behalf of the Applicant. It is therefore submitted that sections 11(2) and

(3) are satisfied. The Applicant acknowledges the facts of this case are somewhat strange but it is submitted that the requirements for service have been satisfied by service on SEM.

24. For the Respondent the tribunal heard evidence from Mr Thomas, a solicitor at Stepien Lake. He confirmed that the offices at John Street had been vacated in 2002 and no forwarding arrangements put in place. The Respondent therefore says that the claim notice could not have been received on its behalf at that address.

25. The Respondent also relied on the evidence of Mrs Annie Coles. Mrs Coles confirmed that she was the Company Secretary for St John Street but had no official capacity in relation to Charlotte Road.

26. The tribunal heard that Mrs Coles' role was limited to looking after the restaurants looking after cash flow and management accounts which were or had at some time been situated in the commercial premises underneath the flats at both premises. Her evidence was that she had nothing to do with either property or their management but was concerned with finance for the restaurants.

Charlotte Road – RTM – the tribunal's decision

27. The relevant provisions are set out in section 11 of the 2002 Act which provides that;

"(1) any notice under this Chapter:-

(a) Must be in writing, and
(b) May be sent by post

(2)a company which is a RTM company in relation to premises may give notice under this Chapter to a person who is landlord under a lease of the whole or any part of the premises at the address specified in subsection (3) (but subject to subsection (4)
(3)that address is:-

a) The address last furnished to a member of the RTM company as the landlord's address for service in accordance with section 48 of the 1987 (notification of address for service of notices on landlord), or
b) If no such address has been so furnished, the address last furnished to such a member as the landlord's address in accordance with section 47 of the Act

28. It appeared to the tribunal that the Respondent's interest in the premises was limited to the restaurant. The premises appeared to have been neglected and the landlord showed little interest in the

leaaseholders or state of repair. We were disappointed that we had no evidence from anyone at the landlord company with any real involvement in either property. Although we had no doubt that Mrs Coles was a most credible and reliable witness she was unable to provide us with any real assistance given her limited role.

29. We did not consider that any of the file notes and emails relied on by SEM evidenced that the landlord had received the claim notice. Although the notes did contain references to the RTM process they appeared to only evidence discussions and enquiries made around the RTM process in relation to both the premises which are the subject of this application and other premises owned by the landlord which have successfully obtained the right to manage.

30. However the question we faced was a matter of fact. We accepted the evidence of Mr Thomas that the premises at which the claim notice had been served had been vacated in 2002 and that no forwarding arrangements had been in place. Accordingly we found that the claim notice could not have been received by the Respondent and thus was not validly served.

31. We went on to consider the Applicant's alternative argument in relation to service at the landlord's address as last furnished under section 48. We agreed with Mr May's submission. Although SEM may well have been the landlord's representative we agree that the claim notice may only be considered as "given" if it has in fact been received by the landlord. There is no suggestion that SEM passed on the notice to the landlord at any point.

32. We therefore concluded that the 34 Charlotte Road RTM did not acquire to manage on 27 June 2014.

132-136 St John Street RTM Company Limited– did it acquire the right to manage?

33. The facts of this case are similar to those of Charlotte Road. The Applicant says it acquired the right to manage pursuant to a claim notice on 24 April 2014. The Second Respondent is the freeholder. The First Respondent has a head lease of the commercial unit and has taken no part in the proceedings. All references are therefore to the Second Respondent. The Respondent says that it was not served with the claim notice and as a result the Applicant has not acquired the right to manage. The dispute therefore is a factual one as to whether the landlord received a copy of the claim notice.

34. As in relation to 34 Charlotte Road SEM act in the RTM's behalf and served the claim notice.

35. The notice was sent to the Second Respondent at Edinburgh House, 43-51 Windsor Road, Slough, Berks SL1 2HL. This is the address shown at HM Land Registry. A copy of the cover letter, claim notice and franked envelope appear in the bundle. The Applicant also says that this was the Second Respondent's material address for service of notices and service charge demands and that this remains the case. This includes statements of account sent on the Second Respondent's behalf.

36. The Applicant likewise relies on the testimonies of the two property managers, Mr Ahmed and Mr Sherreard and the various documentation upon which they rely which is the same documentation as relied upon in relation to Charlotte Road. In particular it is said that the attendance notes of Mr Ahmed evidence that representatives of the Respondent acknowledge receipt of the claim notices.

37. Mrs Coles also gave evidence in relation to St John Street. She confirmed that she acts as the company secretary to the Respondent. She also explained that her role is likewise limited to the finance of the commercial premises in which the restaurants are located and that she takes no part in the management of the residential element. She was unable to say who dealt with the management of the residential premises. She was unable to comment on the Edinburgh House address as she was not familiar with it. Although she is the company secretary Mrs Coles' evidence was that this role was limited to *"a few minutes signing off the accounts each year"*. On questioning Ms Coles also confirmed that she was not a point of contact in relation to any notices served in relation to the premises in that if a notice was served elsewhere it would not be forwarded to her for her attention.

38. The Applicant also adopts the alternative argument in relation to the service as in relation to 34 Charlotte Road, namely that as SEM drafted and served the claim notice this was deemed service for the purposes of section 111 of the 2002 Act.

St John Street RTM - the tribunal's decision

39. We were disappointed with the quality of evidence provided to us by the landlord. We would echo our comments made in relation to Ms Coles' evidence. Although she was a reliable witness she was not able to provide us with any assistance in relation to relevant matters. Although reference was made to a Mr Ricker being the individual with ultimate control of the landlord companies he had not provided a witness statement nor played any part in the tribunal proceedings. Although Ms Coles was the company secretary this appeared to us to be a token role as she clearly had no real involvement in company matters save from signing company accounts.

40. We were also provided with copies of rent demands which showed the Edinburgh House address. This was said to have been the address provided to SEM when they took over management of the premises.

41. We noted that the Edinburgh House address was the address registered at HM Land Registry, had been provided to SEM on their taking over management and had appeared on rent demands without ever being queried. We did not consider that Ms Coles' evidence gave us any assistance as to whether the notice had been served as her knowledge in relation to the landlord company and these premises was so limited. We had no evidence from the landlord as to what this address was, whether it was used and what the proper address for service should be. In such circumstances and in the absence of any persuasive evidence to the contrary we found that the claim notice had been validly served.

42. Accordingly the Applicant acquired the right to manage St John Street on 24 April 2014.

Insurance

43. As the right to manage had to been acquired in relation to Charlotte Road there was no longer an issue in relation to insurance.

44. There was no dispute on costs pre RTM.

45. As far as St John Street was concerned it was accepted by Mr May that where a RTM company has acquired the right to manage it has the right to insure. However in this case he submitted that the landlord had formally communicated that it would deal with insurance and that the Applicant RTM company should have been aware of this from the email chain in 2013/14. In response Mr Armstrong simply says that post RTM the landlord has no right to insure post the right to manage being acquired. The landlord is of course he says entitled to insure at its own expense.

Insurance - the tribunal's decision

46. We found that the landlord is not entitled to recover the costs of insurance post the date upon which the right to manage was acquired, 24 April 2014. Section 96(5) of the 2002 Act clearly provides that the management functions are acquired by the right to manage and that these functions include the right to insure. Although the landlord may have chosen to insure this is not recoverable from the RTM company.

47. In any event we note that the insurance policy is held by Ricker Restaurants rather than the landlord. There is no mechanism in the lease which allows for the commercial tenant to insure the premises and for a contribution to be recovered from the residential tenants. The

tribunal therefore has some doubt that these sums are capable of recovery from the residential tenants in any event.

Application under s.20C and refund of fees

48. There were no applications for costs before the tribunal.

Name: Sonya O'Sullivan **Date:** 12 November 2015

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 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) a leasehold valuation tribunal.

(2) In this section "relevant contribution", in relation to a tenant and any works or agreement, is the amount which he may be required under the terms of his lease to contribute (by the payment of service charges) to relevant costs incurred on carrying out the works or under the agreement.

(3) This section applies to qualifying works if relevant costs incurred on carrying out the works exceed an appropriate amount.

(4) The Secretary of State may by regulations provide that this section applies to a qualifying long term agreement—

(a) if relevant costs incurred under the agreement exceed an appropriate amount, or
(b) if relevant costs incurred under the agreement during a period prescribed by the regulations exceed an appropriate amount.

(5) An appropriate amount is an amount set by regulations made by the Secretary of State; and the regulations may make provision for either or both of the following to be an appropriate amount—
(a) an amount prescribed by, or determined in accordance with, the regulations, and
(b) an amount which results in the relevant contribution of any one or more tenants being an amount prescribed by, or determined in accordance with, the regulations.

(6) Where an appropriate amount is set by virtue of paragraph (a) of subsection (5), the amount of the relevant costs incurred on carrying out the works or under the agreement which may be taken into account in determining the relevant contributions of tenants is limited to the appropriate amount.

(7) Where an appropriate amount is set by virtue of paragraph (b) of that subsection, the amount of the relevant contribution of the tenant, or each of the tenants, whose relevant contribution would otherwise exceed the amount prescribed by, or determined in accordance with, the regulations is limited to the amount so prescribed or determined.]

Section 20B

(1) If any of the relevant costs taken into account in determining the amount of any service charge were incurred more than 18 months before a demand for payment of the service charge is served on the tenant, then (subject to subsection (2)), the tenant shall not be liable to pay so much of the service charge as reflects the costs so incurred.

(2) Subsection (1) shall not apply if, within the period of 18 months beginning with the date when the relevant costs in question were incurred, the tenant was notified in writing that those costs had been incurred and that he would subsequently be required under the terms of his lease to contribute to them by the payment of a service charge.

Section 20C

(1) A tenant may make an application for an order that all or any of the costs incurred, or to be incurred, by the landlord in connection with proceedings before a court, residential property tribunal or the Upper Tribunal, or in connection with arbitration proceedings, are

not to be regarded as relevant costs to be taken into account in determining the amount of any service charge payable by the tenant or any other person or persons specified in the application.

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

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

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).

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 a leasehold valuation 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 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.