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HM Courts & Tribunals Service

LEASEHOLD VALUATION TRIBUNAL

Application for a determination of the reasonableness of service charges under section 27A of the Landlord and Tenant Act 1985 ("the Act") and an application for the limitation of costs under section 20C of the Act.

DECISION AND REASONS

Case Number:	CHI/00HH/LSC/2012/0132
Property:	Flat 4 12 Windsor Road Torquay Devon TQ1 1TD
Applicant:	Mr William Chapman
Respondents:	Highbury Villa (Torquay) Management Co Ltd
Date of Application:	20 September 2012
Date of Hearing:	3 April 2013
Appearances:	Mr William Chapman Mr Richard Bowler LLB for Mr Chapman Mr Darren Stocks of Crown Property Management Ltd for the Respondent
In Attendance	Ms Louise Brain, Block Manager with Crown Property Management Ms Samantha Secker, assistant to Ms Brain
Tribunal Members:	Robert Batho MA BSc LLB FRICS FCIArb (Chartered Surveyor) Chairman A Cresswell (Lawyer Member) W H Gater FRICS ACIArb (Chartered Surveyor)
Date of Decision:	15 April 2013

DECISION

1. The Tribunal concludes, and the parties accept, that no determination can be made with respect to the year 2009-10 as no evidence has been presented in respect of it.

2. The Applicant has withdrawn his application in respect of the year 2010-11 and no determination is made in respect of it.

3. In respect of the year 2011-12, it is determined that, for the most part, the charges are reasonable, but the charges in respect of gardening and some window cleaning are disallowed as unreasonable, as the evidence is that the work charged for was not done.

4. The Tribunal nonetheless notes with concern that the lease provisions with regard to the operation of the service charge account have largely been ignored. No evidence was offered to it that many of the expenses said to have been incurred had actually been incurred, and the evidence is that, over a number of years, there has been neither annual reconciliation of the service charge account, nor the certification of that account for which the lease provides. In these terms the Applicant's complaint of a lack of transparency is seen to be justified.

5. With regard to the financial year 2012-13, there is no evidence to suggest that the budget figures are unreasonable. The Tribunal therefore accepts them, but notes the fundamental importance of there being an annual reconciliation to show whether, in the event, they were justified.

6. The Tribunal rejects the applicant's application under section 20C of the Act.

Background

7. Following the submission of this Application by Mr William Chapman on 20 September 2012, preliminary directions were issued by the Tribunal on 1 October 2012 which provided for a pre-trial review. This was held on 8 November 2012, and it was then agreed that the application did not relate to "liability to pay" as such, but to the reasonableness of the actual or budgeted service charges for the years 2009-10 to 2012-13 inclusive.

8. Further directions were then issued, requiring production of the service charge demands for the years in question; details of building insurance for those years; and copies of the available service charge accounts for those years, together with a legible copy of the lease to replace the slightly distorted copy which had accompanied the application. Those directions also required the making of written statements, and set down a timetable for this.

9. Some documentation was submitted in purported fulfilment of these directions. It included a demand for service charge arrears for the year 2010-11 and copy demands for 2011-12 and 2012-13. Building insurance schedules were provided for 2010, 2011 and 2012, but nothing in relation to the year 2009-10. No service charge accounts were submitted, but copies of the landlord company's accounts for the years ending 31 October 2010, 2011 and 2012 were provided. The requested legible copy of the lease was provided at the hearing.

Inspection

10. On the day of the hearing but before it, the Tribunal Members inspected the exterior and common internal parts of the Property accompanied by the Applicant, Ms Brain and Ms Secker.

11. The property comprises a semi-detached late Victorian or Edwardian villa which has been converted to provide five flats on three floors (including a basement flat), with the greater part of the original garden area hard surfaced to provide car parking spaces but with an area of garden to the rear.

12. Attention was drawn to the general external condition of the building and to vegetation growth on one chimney stack. The Tribunal members were shown where a section of the rendering to the rear of the building had been renewed during 2012. The members also viewed the rear garden area and (necessarily) the access to it. Inspection was made of the decorative condition of the communal hall and landing.

Hearing

13. At the Tribunal's request, the parties' evidence was preceded by a brief account of the history of the building.

14. Mr Bowler explained that in the late 1980s or early 1990s the original individual freeholder had offered, and subsequently sold, his freehold interest to the then leaseholders. The freehold was now owned by the Respondent company, the directors of which were the existing leaseholders, who held equal shares. Initially these leaseholders had managed things themselves.

15. Mr Bowler went on to say that when the Applicant had purchased his interest he became aware of various issues affecting the building, and had offered to try and resolve these, but that his offer had been ignored. He had subsequently had no proper notice of meetings.

16. In about 2011 the building had suffered severe water damage and, following that (in February 2012) Crown Property Management had been appointed to manage the property.

Applicant's case

17. Mr Chapman, the Applicant, spoke of a history of reluctance to discuss matters, which meant that matters affecting the property were held in abeyance, something which also reflected a desire to reduce costs. He had advocated a self-help approach to matters as a way of reducing costs, and had done some work, such as gardening, himself. Dealing with specific matters covered by the service charge, Mr Chapman did not address the financial years separately, but he said:-

18. In relation to the *insurance* of the building, that he had done some estimates of insurance cost and thought that they could be competitively tendered. He had discussed a possible premium with Halifax, who had quoted a possible figure of the order of £900 for the year, as compared with the £1,440.17 paid for the 2012-13 year, but he recognised that that lower figure took no account of the loading applied to the existing premium on account of the past flooding. He had not been aware of that loading when he sought the figure.

19. With regard to the *management cost*, a firm called Carrick and Johnson had been approached but they had not given a quote. His view was that the management could be undertaken more cheaply, but that there was no agreement within the company to address the issue. His view was that management could be undertaken for a figure of the order of £450 to £500 per annum, a figure assumed to exclude VAT.

20. Mr Chapman expressed concern that there was no schedule of work in respect of the *gardening*, which meant that tenants were left with no clear picture of what was seen as being needed or of what was being paid for. He

had done some gardening himself, and that was something which in itself should produce a cost saving.

21. *Window cleaning*, Mr Chapman said, was supposed to be done monthly, but no one knew when it was actually done.

22. With regard to the *contingency fund*, there were supposed to be warranties on the roof works which had been done in 2007, and these should cover any necessary further work, and so he wondered if the contingency money was actually being used to repay a loan taken out to cover the cost of roof repair in the first place. The contingency fund appeared to be being used to pay for the mistakes of the past, and it was now appropriate to look at cheaper ways of doing things generally.

23. Overall, Mr Chapman was seeking greater transparency in the operation of the service charge. Asked why, in that case, he had not attended company meetings, Mr Chapman said that Mr Bowler had attended the AGM in his place but that that meeting had seemed like a rubber-stamping exercise, not a decision making meeting. Mr Bowler had commented on the insurance cost but had heard no more.

24. Asked what he saw as a managing agent's duties, Mr Chapman referred to annual review and the preparation of a list of necessary works or planned maintenance items. The outside of the building had not been painted, and there were issues with the windows, and there needed to be a schedule of works.

Respondents' Case

25. Mr Stocks of Crown Property Management, speaking on behalf of the Respondent, addressed each of the issues as follows:-

26. He agreed that, but for the past claims, the cost of *buildings insurance* would be lower, and suggested a figure of the order of £1,100 per annum, but said that given that past history and the level of the sum insured the present premium was the best obtainable via the brokers who had been consulted. The sum insured could be reassessed, but cash flow was such that there was no money available to pay for such a reassessment.

27. The *management charge* had been agreed at £780 per annum including VAT (£650 per annum net) but many agents charged a minimum fee of £1,000 excluding VAT. Despite charging a lower amount, his firm was still providing a full management service (although its terms were not specified), and indeed a higher input was required because of the constant need to chase arrears and arrange expenditure to fit the money available. He considered the fee charged to be more than reasonable in the circumstances.

28. With regard to *garden maintenance*, the £400 per annum was an aspiration – a budget figure for when there was money available. Persistent service charge arrears prevented the engagement of contractors on a regular basis, as just one person not paying what was due had a major effect on cash flow. No gardening had actually been done during the 2011-2012 service charge year, but he could not speak for earlier years.

29. The *contingency fund* was based on a budget, but was subject to the constraint that none of the director tenants wanted to pay more than £85 per calendar month in service charge. The process was that that figure was used as a starting point, and the contingency was what was left after allowing for other costs. Given the high level of arrears, and the fact that service charge payments were made monthly, there was not enough to pay any money into the contingency fund at once: it was necessary to prioritise payments, dealing with direct debits first. Quotations had been obtained for further works such as a new front door and decoration of the common hallway, and overall Mr Stocks considered that the sum referred to was reasonable. There was a continuing problem of people not wanting to pay more.

30. *Window cleaning* was supposed to be done monthly, but during 2012 it had actually been done in March, May, July, September and November. It may have been done in February 2013 but Mr Stocks was unsure about that. Again, there were problems with having enough to pay for the work to be done, and if there was insufficient money in any month then the window cleaner was asked not to attend.

31. The *accountant* used had been inherited from the time when the tenants ran matters themselves, and he only charged about £150 per annum, which was

low. When questioned, however, Mr Stocks acknowledged that no service charge account was produced, but only the company account, and that accordingly there was no evidence that any of the service charge money, other than that on insurance, for which there were premium demands, had actually been expended.

32. *Electricity* cost "about £25 per quarter" which was reasonable.

33. In answer to questions from Mr Bowler about apparent discrepancies between the company accounts and the service charge demands, Mr Stocks said that there were errors, in respect of which adjustments had been made, and that overall the figures were consistent. When asked about the amount of the contingency fund, Mr Stocks said that £823.90 had been spent and that there was a bank balance of £570. Mr Bowler then emphasised Mr Chapman's concern at the lack of transparency in the accounts, saying that he had been asking for explanations for years, but had received no answers.

Lease Provisions

34. At the time of the hearing the Tribunal was provided with a signed but undated copy of the lease relating to Flat 4 Becksworth Court Windsor Road Torquay, in which the Fourth, Fifth and Sixth Schedules make provisions relevant to the service charge.

35. Under the Forth Schedule, the tenant covenants

> (xvi) to pay and keep the Landlord indemnified from and against 20% of all costs charges and expenses ("the costs") incurred by the Landlord in carrying out its obligations under the Sixth Schedule the Tenant to pay on the usual quarter days in advance, the sum of Sixty Two Pounds fifty pence or such other sum as may be prescribed by the Landlord from time to time on account thereof the first payment being a proportion from the date hereof to the quarter day following to be paid on the signing hereof
>
> (xvii) Within twenty one days after the service by the Landlord on the Tenant of a Notice in writing stating the proportionate amount (certified in accordance with Clause K of the Fifth Schedule) due from the Tenant to the Landlord pursuant to Clause (xvi) of this Schedule for the accounting period to which the Notice relates to pay the Landlord or be credited against future liability the balance by which the said proportionate amount respectively exceeds or falls short of the total sums paid by the Tenant to the Landlord pursuant to the last preceding clause during the said period.

36. Under the provisions of the Fifth Schedule, the Landlord is obliged to ensure the building and to keep it in a good and tenantable state of repair. There is

provision that he should keep the hall, stairs and landings, passages and cupboards properly cleaned and in good order, and authority for him to employ such contractors or staff as he shall from time to time deem necessary to comply with his obligations under the Schedule.

37. There are then provisions that the Landlord is

> (j) to keep proper books of account of all costs charges and expenses incurred in carrying out the obligations under this Schedule and to ensure that account shall be taken on the 25th day of March every year during the continuance of this demise of the amount of the said costs charges and expenses incurred since the commencement of this demise or the date of the last preceding account as the case may be
>
> (k) To ensure that the account taken in pursuance of the last preceding clause shall be prepared and audited by a competent accountant who shall certify the total amount of the said costs charges and expenses (including the audit fee of the said account) to the period to which the account relates and the proportionate amount due from the Tenant to the Landlord pursuant to clause (xvi) of the Fourth Schedule.
>
> (l) Within two months of the date to which the account provided for in clause (ii) of this Schedule is taken to serve on the Tenant a notice in writing stating the said total and proportionate amount certified in accordance with the last preceding clause and supply there with a copy of such account.

38. The Sixth Schedule defines the Maintenance expenses as

> Any money spent or reserved or set aside for periodical payment or anticipated expenditure by or on the half of the Landlord at all times during the term hereby granted on or in connection with all or any of the following:-
>
> 1. Repairing rebuilding replacing reinstating maintaining cleansing rectifying tidying painting decorating and keep howsoever the Landlord chooses (and as to frequency extent manner and amount in the Landlords absolute discretion) but Subject to complying with clause (f) (i) in the Fifth Schedule all and every part of the Building and the reserved property in good and substantial repair order state and condition and without prejudice to the generality of the foregoing providing and paying such servants and workmen as may be necessary in connection with the said items and matters of general administration and maintenance
>
> 2. Providing maintaining and operating lighting apparatus and power points (whether external and internal) and whether as part of the initial development or any way of addition as the Landlord shall from time to time consider necessary in respect of the Building and curtilage
>
> 3. Paying all rates taxes duties charges assessments and outgoings whatsoever (whether parliamentary parochial or local or of any other description) assessed charged or imposed upon or payable in respect of the Building or any part thereof or the curtilage except insofar as the same of the responsibility of the Tenant of any flat
>
> 4. All costs charges and expenses of abating a nuisance and of executing all such works as may be necessary for complying with any notice served by a Local Authority in connection with the reserved property except insofar as the

same is not the liability or attributable to the fault of any individual tenant of any flat

5. The costs charges and remunerations of the Landlord and any Agents servant or employee of the Landlord to manage and administer and also any other expenses incurred by the Landlord in the administration or protection of the Building or the amenities thereof

6. The charges and remunerations of a Chartered Accountant to be employed by the Landlord for the purpose of auditing the accounts in respect of the maintenance expenses and certifying the total amount thereof for the period to which the account relate

7. The purchase maintenance renewal and insurance of any fire fighting appliances which the Landlord may from time to time consider necessary

8. The purchase maintenance renewal and insurance of such equipment materials and goods as the Landlord may from time to time consider necessary or desirable for carrying out the acts and things mentioned or referred to in this Schedule or in the interests of good management of the Building and Reserved property

9. Such sum or sums as shall be estimated by the Landlord to provide a reserve to meet all some or any of the costs expenses outgoings and matters mentioned in this part of this Schedule which the anticipates will or may arise during the remainder of the term granted by this lease

The Law

39. Section 27 of the Act gives the Tribunal jurisdiction to determine issues in relation to service charges. In this case the only dispute appears to be in relation to the reasonableness of the service charges demanded for the years 2011 and 2012.

40. Extracts from section 27A of the Act are set out below

S27A Liability to pay service charges: jurisdiction
(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.

41. Section 27A should be read in conjunction with section 19(1) of the 1985 Act which provides:-

S19 Limitation of service charges: reasonableness.
(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.

42. As the Applicant has raised to matter of recovering the cost of the application to the Tribunal as part of the service charge, an extract from Section 20C of the Act is set out below too.

> **S20C Limitation of service charges: costs of proceedings.**
> (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 or leasehold valuation tribunal, or the Lands 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.

The Decision

43. Towards the conclusion of the hearing the Tribunal asked the Applicant how he wished them to deal with his application, given the paucity of information. It was explained to the Applicant that the Tribunal could find the service charge figures for previous years unreasonable because of this lack of evidence, although any decision on the year 2009-10 would be difficult as neither side had offered any evidence, despite the opportunity to do so. It would in any event be necessary to go back further (which the Tribunal had not been asked to do) to resolve matters properly, as the lack of audited service charge accounts meant that there was an on-going lack of reconciliation year on year. Finding charges unreasonable might mean that he was entitled to recover sums paid, but that would penalise the other tenants.

44. After a brief adjournment the Applicant advised the Tribunal that he accepted that no decision could be made on the 2009-10 year and so, in effect, withdrew his application in respect of it. He said that he was content that matters "be left as they were" in respect of the year 2010-11, thus effectively withdrawing his application in respect of that year also. He said that he did want the year 2011-12 to be considered, whilst the 2012-13 year was "still open."

45. It seems unfortunately clear that the Applicant has, in effect, been forced into this decision with regard to past years by a continuing failure on the part of the

landlord company to observe the provisions of the lease with regard to the service charge, a failure which Crown Property Management have taken no steps to rectify. It is fundamental to the proper operation of any service charge account that there should be an annual reconciliation between the anticipated expenditure upon which service charge demands may have been based and the actual expenditure incurred, and there is specific provision for that process contained in the lease in this case.

46. Despite that provision, the evidence is that that has not been done. Furthermore, good practice requires that where there is a sinking fund in which money is accumulated to cover future significant expenditure, that sum of money should be separately identified, so that there is some assurance that it is being used properly. Again, there is nothing to suggest that this has been done, and these factors may be seen as giving justification to the Applicant's statement that he seeks clarity in the operation of the service charge account.

47. Although the Applicant accepts that the Tribunal can make no determination in respect of the first year to which his application related, and he has effectively withdrawn his application in respect of the second year, without any year-on-year service charge reconciliation it is impossible to achieve finality other than by, as the Applicant has suggested, drawing a line at an arbitrary point and, in effect, starting again from there.

48. With regard to the financial year 2011-12, therefore, the Tribunal determines as follows:-

49. The sum paid with regard to *insurance* is reasonable on the face of it, recognising the past claims history in relation to the building. The Tribunal notes that, on the evidence, Crown Property Management have adopted the proper procedure of instructing brokers to seek competitive quotations and the sum actually paid was the best premium sum available on this basis. The Tribunal also notes the possibility that the building is over insured, but accepts is that it has not proved financially possible to obtain an up-to-date replacement cost valuation. It nonetheless commends that approach for the future.

50. With regard to the *management charge*, the Tribunal notes the Applicant's view that it might be possible to obtain the service more cheaply elsewhere, but also notes that no clear evidence to that effect has been presented. Based upon its own expert knowledge and experience of such matters, the Tribunal accepts the argument put forward by Crown Property Management that the current charge is below what a number of agents might charge in the circumstances. It also notes that the requirements of managing this property are greater than they might be with comparable properties, given the persistent arrears problem and the continuing need to modify instructions in accordance with the funds available. With these considerations in mind, the Tribunal finds that the management charges made in the year in question were reasonable.

51. The Tribunal nonetheless notes that the agents have a prime responsibility to ensure that the service charge account is properly managed, and to do so in accordance with the lease terms. Whilst it accepts that the failure to produce audited service charge accounts in previous years may have been the result of a landlord company decision, it notes that there is no evidence that Crown Property Management have taken any steps to rectify the position. In these terms it is impossible to avoid the conclusion that, whilst the charge for what they do do may be reasonable, their overall management of the property is inadequate.

52. Although the service charge includes an element for *gardening*, Mr Stocks' evidence was that no gardening had actually been done during the year in question as there was no money available to pay for it. The Tribunal cannot accept that it is in any way reasonable to expect tenants to pay for a service which, on the evidence, was not provided, and it accordingly disallows this sum as unreasonable in the circumstances.

53. There is a comparable difficulty with regard to *window cleaning*. Mr Stocks' evidence was that although the service charge demand for the year referred to monthly window cleaning, the lack of money available meant that had only actually been done in four of the twelve months. On the basis of an annual charge of £240, this implies that it can only be reasonable to charge £80, in

respect of which the Applicant's liability is only £16 rather than the £48 referred to in the service charge demand.

54. The sums said to be payable in respect of the *Company's House fee* and *bank charges* do not appear to be unreasonable in themselves, although the Tribunal is suspicious of the fact that only rounded figures have been given, and notes that no evidence was offered that these sums had actually been paid. Nevertheless, the Applicant has not challenged them, and the Tribunal does not consider it appropriate to do so either.

55. Similar comments may be made in relation to the charge for *electricity*, although here there is the added confusion of that whilst the charge of £25 per quarter for the property has not been queried by the Applicant, the company accounts show a total cost of only £65 for the year. This again demonstrates the need for there to be the proper reconciliation of the service charge account which neither the company nor the agents have undertaken.

56. The sum in respect of a *contingency allowance* was explained as having been arrived at by the tenants' unwillingness to pay more than a specified amount monthly by way of service charge, and it is effectively a residual amount. The actual sum therefore payable does not appear to the Tribunal to be excessive, but rather the Tribunal would question whether it is sufficient, given the nature of the building. What is perhaps of greater concern is that whilst the lease provides for the accumulation of a sinking fund, there needs to be a proper account and to show how it is accumulated and how it is used, and in practice and there is no evidence of either accumulation or use. Nevertheless, the Applicant has not made this point as such and the Tribunal does no more than to note it.

57. With regard to the *accountancy fee*, in the sum of £126 plus VAT, the Applicant indicated that that was a figure which he would accept. Whilst the Tribunal notes that acceptance, it also notes that what is being charged for is not what the lease provides for. The lease provides for payment to an accountant for the preparation and certification of a service charge account, which would include the year-on-year reconciliation which is fundamental to the operation of such an account.

58. What the accountants have actually done is to prepare company accounts for the landlord company, and although it may be argued that such a charge is permitted under clause 5 of schedule 6 to the lease, under the general heading of management and administration, it has to be recognised that there is this fundamental part of an accountant's responsibility which is not being fulfilled. The Tribunal does not seek to displace the Applicant's acceptance of the reasonableness of this charge, but notes that the lease requirement is for significantly more to be done.

59. The service charge demand for the year 2012 13 is assumed to have been based upon a budget, although no evidence of the budgetary process has been provided. Nevertheless, based on the information given for the preceding years, the Tribunal concludes that the figures are reasonable provided that the services to which they respectively relate are provided or undertaken in accordance with the lease or in accordance with the respective estimates.

60. It remains of fundamental importance that there should be a proper reconciliation between these budgetary figures and the actual costs incurred, with clear evidence (in the form of appropriate receipts) that money has actually been expended as stated and with the certification from a firm of chartered accountants which the lease requires. Crown Property Management made it clear that they have no written agreement in relation to the management of this property, but it is, the Tribunal's view, fundamental that they should ensure that the lease provisions are followed in this respect, and that individual tenants are given clear and unequivocal evidence that that has been done.

61. One further point that should be made is that the service charge demands are in each case expressed to be for the twelve months from 1st November, which coincides with the landlord company's financial year, which is shown in the accounts to end on 31st of October. By comparison, sub-clause (j) of the Fifth Schedule to the lease clearly provides for a service charge year ending on 25th of March. It is unclear at what point the change in the service charge year may have been made, or whether it was agreed to by the tenants, but it is, on the face of it, another failure to comply with the provisions of the lease.

62. The Applicant has also asked that the landlord's costs in respect of his application to this Tribunal should be disallowed as part of the service charge. The Tribunal accepts that, had the service charge account been operated in accordance with the provisions of the lease, with an annual certification of the account and an annual reconciliation between the budgeted expenditure and the actual expenditure, then that would have given the transparency which the applicant seeks to achieve by this application. In these terms, his application under section 20C of the Act is reasonable.

63. On the other hand, the Applicant is a director of the landlord company and it could be said that, in that capacity, he has shared the responsibility to ensure that the provisions of the lease were fulfilled. The evidence is that, whilst the applicant has sought transparency, and has suggested ways in which costs might be minimised, and that those requests, and suggestions have gone unanswered, he has not sought the route of requesting properly certified accounts. The Tribunal also notes that if these costs were to be disallowed then they would simply have to be met by the other four tenants in their capacity as directors of the company and, in the circumstances, the Tribunal takes the view that that would be inequitable.

64. There is at this stage no indication of what the costs in question might be. Any such costs must necessarily be subject to the constraint that they are recoverable only to the extent that they are reasonable and, subject to that constraint, the Tribunal rejects the applicant's application in this respect.

Robert Batho
MA BSC LLB FRICS FCIArb
Chartered Surveyor
Chairman

15 April 2013

Informative

Any party to this decision may appeal against it with the permission of the Tribunal to the Upper Tribunal (Lands Chamber). The provisions relating to appeals are set out in Regulation 20 of the Leasehold Valuation Tribunals (Procedure) (England) Regulations 2003. A request to the Tribunal for permission to appeal to the Lands Tribunal must be made within 21 days of

the date on which this document setting out the Tribunal's decision is sent to the party in question and state the grounds on which the Appellant intends to rely. A copy of any such application shall be served on this Tribunal and on every other party.