

# Four Million Homes

Knowledge and action for change in social housing

[www.fourmillion.org](http://www.fourmillion.org)  
[@fourmillionhomes](https://twitter.com/fourmillionhomes)

**CCH** The Confederation  
of Co-operative  
Housing

 **PPCR**  
associates

  
Ministry of Housing,  
Communities &  
Local Government

Four Million **Homes**

# Service charges for leaseholders

**Blase Lambert, Chief Executive Officer, CCH**

# Landlord and Tenant Act 1985

## Section 18 – meaning of ‘service charges’ and ‘relevant costs’

Service charges are an amount payable for services, repairs, maintenance, improvements, insurance and the landlord’s cost of management and variations to relevant costs (those costs incurred by a landlord, including overheads, in connection with matters for which the service charge is payable whether before, during or after the billing date)

## Section 19 – limitation of service charges: reasonableness

Relevant costs must be reasonably incurred and where they relate to services or repairs, they must have been delivered to a reasonable standard

Reasonableness can be challenged in England through the First Tier Tribunal

# Landlord and Tenant Act 1985

## Section 20 – limitation of service charges: consultation

Leaseholders should be consulted and informed about:

Qualifying works – works on a building or any other premises

Qualifying long term agreements – term contracts of longer than 12 months

Consultation thresholds have remained unchanged since 2003 as a per leaseholder estimate of £250 for works and £100 for agreements

Section 20ZA requires that such consultation includes details of works or agreements, estimated costs and relevant contributions, the opportunity to propose alternatives and to make observations

# Landlord and Tenant Act 1985

Section 20A - limitation of service charges: grant-aided works (balance only)

Section 20B - limitation of service charges: time limit (18 months)

Section 20C - limitation of service charges: cost of proceedings

Section 20D - limitation of service charges: remediation works

Section 20F – excluded costs for higher-risk buildings (Building Safety Act 2022 Part 4)

Section 20J – non-litigation costs of enfranchisement

Section 20K – non-participating tenants and prohibited amounts

# Landlord and Tenant Act 1985

Section 21 – service charge information

Section 21A – Withholding service charges – maximum amount

Section 21B – Notice to accompany demands for service charges

Section 22 – requests to inspect supporting accounts

Section 23 – requests for information held by superior landlords

Section 30A – rights in respect of insurance policies

# Leasehold and Freehold Reform Act 2024

Introduces reforms to improve leaseholder rights by increasing transparency of service charges and building insurance policies and tackling unjustified litigation costs.

Current consultation runs until 26<sup>th</sup> September 2025

- Annual reports, rights to obtain information, administration charge schedules, insurance policy information and litigation costs
- Consultation regarding qualifying major works and long-term agreements
- Reserve funds and major works – trust funds
- Landlord and Tenant Act 1987, Section 31 (managing agent replacements) and Section 42 (protecting leaseholder funds)
- Managing agent qualifications

# Four Million Homes

## Questions and Answers

[www.fourmillion.org](http://www.fourmillion.org)  
[@fourmillionhomes](https://twitter.com/fourmillionhomes)

**CCH** The Confederation  
of Co-operative  
Housing

 **PPCR**  
associates

  
Ministry of Housing,  
Communities &  
Local Government