



Service Charge Heads Up: Where Is Best Practice?

| Virtual Seminar - Wednesday 15th May 2024 | | |
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| £105 + VAT | Registration: 09.25 Finish: 12.30 | 3 CPD Hours |
| To book: https://cptevents.co.uk/event/service-charge-heads-up-where-is-best-practice | | |

CPT has been running training events on service charges since 1994. In those days, best practice was defined by a non-compulsory service charge code, agreed upon and promoted in unison by a number of property bodies. In 2019 it emerged as an RICS Professional Statement, which was mandatory and since it was accepted across the service charge industry, anyone – whether a RICS member or not – was going to be judged by whether they followed it. It had teeth in as much as anyone who was non-compliant had the threat of sanctions and public humiliation. Is it any wonder why it's one of the top free downloads from the RICS website?

The relationship between landlords and tenants has always had the ability to be fractious, especially when it came to service charges. The Code and more recently the PS, have tamed many of the bad behaviours. 5 years have passed and there are new issues that need to be regulated.

- **ESG** - Environmental, social and corporate governance is the buzz that companies frequently want to embrace as a way to demonstrate their credentials. It drives their investment behaviours, but is it right to strip out a working AC in a building and get the tenants to pay (through the service charge) for a new one that is greener? Are landlord and investor vanity projects needing to be tamed? Will tenants have an economic sustainability test to fight back on unnecessary improvement and to prevent working kit being replaced?
- **Dispute Resolution and the Courts** – The Courts and Tribunal service have shifted towards an expectation that parties in dispute have meaningfully sought to settle using various ADR solutions. Such routes are usually cheaper, faster and potentially deliver better outcomes. Is there a place for having your day in Court anymore?
- **The place and role of the RICS Service Charge Professional Statement**
- **Service Charge Reporting Standards and notification obligations** – New mandatory provisions for reporting budget and actual costs to tenants. When there is good reason to not produce annual service charge statements, should the parties be informed as to why; and should a draft budget be offered when a finalised one cannot? Is there going to be a presumption of offering far more information to assist tenants? What are the consequences for a failure to do so?
- **The emerging concept of best endeavours – What is it? Is it a catch all? Will it have teeth?**
- **Are there better ways to manage mixed use buildings and campuses?**

There is a significant step change coming. Peter Forrester and Jonathan Lovejoy are major players in setting standards and expectations in the service charge world. Mark Shelton a solicitor whose spent his professional career advising clients in service charges, L&T matters and has more than 15 years training the new crop of surveyors and lawyers. Come and join them and listen to how your world is going to change.

Speakers:

Mark Shelton

Commercial Property Management Law Trainer, CPM Law Training Limited and Author of 'A Practical Guide to the Law of Dilapidations' and 'A Practical Guide to Applications for Landlords' Consent and Variation of Leases'

Peter Forrester FRICS

Chartered Surveyor; Chair of RICS Service Charge Professional Group

Jonathan Lovejoy

Head of Commercial Surveying, British Land

CPT Events

Promoting and enhancing best practice and technical expertise



Topics Being Covered:

The Typical Causes of Service Charge Disputes

- Unrealistic tenants
- Inflexible/Uncommunicative landlords
- Delay in property management processes
- Errors in accounting
- Lease drafting
- Basically - not following the RICS professional statement

How the RICS Professional Statement Should help to Prevent or Resolve Most Disputes

- What is best practice?
- Mandatory requirements
- Core principles underpinning the mandatory requirements
- Practical guidance to achieving best practice and avoiding disputes
- Common pitfalls and poor practice to be avoided

Practical Dispute Resolution Options

- Resolution options
- With the lease silent on resolving disputes, are the Courts the right place to resolve disputes?

Account Reporting Standards Imposed

Short Takeaway Points from Recent Case Law

- What are the courts doing with Service Charges?
- The demand and expectation by the Courts to use ADR
- Using the Courts or an independent expert for rulings
- Making effective use of Calderbanks to minimise or avoid costs

Legal Round Up

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