



# Landlord and Tenant Act 1985

## 1985 CHAPTER 70

### *Service charges*

#### **18 Meaning of “service charge” and “relevant costs”.**

- (1) In the following provisions of this Act “service charge” means an amount payable by a tenant of a flat as part of or in addition to the rent—
  - (a) which is payable, directly or indirectly, for services, repairs, maintenance 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.