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**FIRST-TIER TRIBUNAL  
PROPERTY CHAMBER  
(RESIDENTIAL PROPERTY)**

**Case Reference** : LON/OOAC/LSC/2013/0437

**Property** : FLAT 4 BEATRICE LODGE  
ALEXANDRA GROVE LONDON  
N12 8NU

**Applicant** : BEATRICE LODGE  
(MANAGEMENT COMPANY) LTD

**Representative** : Mr K Pitts of Counsel accompanied  
by Mr I Freedman, managing agent  
and Mr P Singh accountant. Ms M  
Modhani, secretary and Mr N  
Rhodes, shareholders of the  
Applicant company also attended

**Respondent** : Mr DAVID SILVER

**Representative** : The Respondent represented  
himself accompanied by Mrs D  
Silver and Mr M Silver

**Type of Application** : For the determination of the  
reasonableness of and the liability  
to pay service charge and/or  
administration charges

**Tribunal Members** : Mrs T I Rabin JP  
Mr K M Cartwright  
Mrs J Clark

**Date and venue of  
Hearing** : 10<sup>th</sup> September 2013 at 10 Alfred  
Place, London WC1E 7LR

**Date of Decision** : 10 November 2013

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**DECISION**

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## **The application**

1. The Applicant seeks a determination pursuant to s.27A of the Landlord and Tenant Act 1985 ("the 1985 Act") as to the amount of service charges payable by the Applicant and under Schedule 11 to the Commonhold and Leasehold Reform Act 2002 as to whether administration charges are payable in respect of the service charge years 2006 to 2012. Following an order of the Northampton County Court, the dispute was transferred to the Tribunal for a determination as to whether or not the sums are reasonable and payable by the Respondent.
2. The relevant legal provisions are set out in the Appendix to this decision.

## **The hearing**

3. The Applicant was represented Mr K Pitts of Counsel and evidence was given on behalf of the Applicant by Mr I Freedman and Mr P Singh. Following the lunch break and at the request of the Tribunal, the company secretary Ms Modhani came to give evidence as did Mr N Rhodes, a shareholder and director.
4. The case was initially commenced in the Northampton County Court and the Respondent lodged a lengthy defence that is before the Tribunal. The issue before the Tribunal is whether service charges amounting to £4,631.50 are payable by the Respondent. This covers the period from January 2006 to June 2012.

## **The background**

5. The property the subject of this application is Flat 4 Beatrice Lodge Alexandra Grove London N12 8NU ("the Flat"). The Flat is located in a small block of six flats known as Beatrice Lodge aforesaid ("the Building"). The leases under which the flats are held provide for the Applicant to be the manager and undertake management functions. The Applicant is a tenant owned company where each of the flat owners has a share or is a member. Evidence was given that the shareholders have also purchased the freehold. There are currently no directors of the Applicant but the shareholders manage the Building. The Respondent was a director of both the freehold company and the Applicant for a period of time, the length of which is disputed but which terminated some years ago.
6. Ms Modhani stated in her evidence that she had been secretary of the Applicant for some 14 years and that originally all the shareholders were directors. The Respondent has owned the Flat since 1997, was a director at the time Ms Modhani became secretary. He resigned in

2005 or 2006 and has been invited to join again as in Ms Modhani's view, all the flat owners should be directors as they all are involved with the Building. Mr Silver has declined to be a director since his resignation but there is no restriction on his appointment. However all the shareholders with the exception of Ms Modhani, who is not a director because she is secretary and the Respondent by his own choice, are directors.

7. Mr Rhodes said he had invited the Respondent to be a director about two or three years ago and he had declined. The long leaseholders have not held any meetings for several years since the dispute with the Respondent originally arose.
8. This evidence is in contrast with the evidence given by Mr Silver who said he had only been a director for a short period and had been prevented from being a director since then.
9. The Building is currently managed by HML Hathaways and has effectively been managed by the same managing agents with different identities. Mr Freedman, the current manager allocated has only been in place for a short time and as such, his evidence to the Tribunal was limited.
10. The Respondent holds a long lease of the property which requires the landlord to provide services and the tenant to contribute towards their costs by way of a variable service charge. The specific provisions of the lease will be referred to below, where appropriate.

### **The issues**

11. At the start of the hearing the parties identified the relevant issues for determination as follows:
  - (i) Whether the Respondent is liable to pay for the cost of replacement windows as the windows are demised but the individual leases but were replaced by the Applicant at the cost of the leaseholders
  - (ii) Whether there has been a breach of Section 20B of the 1985 Act as some of the costs were incurred more than 18 months after they were incurred
  - (iii) Whether there was a breach of Section 47 of the Landlord and Tenant 1987 since full details of the rights and responsibilities of the landlord and tenant were not included in the demands

- (iv) Whether administration fees for late payment and legal fees were payable in service charge years 2009, 2010 and 2012.
  - (v) Whether the Respondent was served with a notice of his rights and obligations as required by Section 21B of the 1985 Act
  - (vi) Whether the accounts were properly issued as the date of the accounts differed from that provided in the leases
  - (vii) Whether costs in relation to health and safety are payable due to lack of consultation under Section 20 of the 1985 Act
  - (viii) Whether or not the reserve account is being properly dealt with
  - (ix) Insurance premium too high
12. Having heard evidence and submissions from the parties and considered all of the documents provided in the trial bundle, the tribunal has made determinations on the various issues as follows.

**Whether the Respondent was liable to pay for the replacement windows.**

13. It was not a matter of dispute that the windows of the individual properties were demised by the leases were only collected from Flats 5-14. This was in accordance with the terms of the leases as can be evidence by Part V paragraph (f) of the Respondent's lease. However, the bundle before the Tribunal includes an agreement signed by all the shareholders, either in person or, in one case, by confirmatory e-mail. This followed a meeting of all the long leaseholders either present or by proxy held on 30<sup>th</sup> November 2005, in which it was agreed that double-glazing and decorations should be undertaken as a joint venture. Two contractors were mentioned and costs of £10,212 for the windows and £10,650 were mentioned for the windows and exterior respectively. One of the long leaseholders was chosen to liaise with the chosen contractors and the costs were agreed. An invoice for the windows from Anglian windows was produced at the agreed price. The Respondent's share of the window replacement was £1,702 and of the external redecorating £1,419.65. There are also the managing agents fees of £81.86. He paid £1,752 on 19<sup>th</sup> September 2006
14. The Respondent maintains that the agreement was expressed to be valid only until 30<sup>th</sup> November 2006 and, since the work was not completed until after that date, the agreement no longer applied.
15. Ms clearly recalls that the Respondent was at the meetings where the windows were discussed. The external decorations were referred to in

this agreement. A Section 20 Notice was served on 5<sup>th</sup> September 2006 covering the replacement of the windows and the external redecorations. There was no evidence of any alternative quotes or representations by the Respondent or any indication that there was any fault with the Section 20 procedure.

### **The Tribunal's decision**

16. The lease does not provide for the landlord to undertake replacement windows, although external redecoration was included. There is a clear agreement signed by the long leaseholders, albeit one by e-mail confirmation, that they all agree to double-glazing and external redecoration being carried out. It is acknowledged in the agreement that the costs of the windows would be split equally between the flats and not in accordance with the provisions of the lease. It is noted at paragraph 4:

“This deviation from the lease will not set a precedent for the future and all current and future charges will be split under the existing terms of the leases”

17. It is clear that the Respondent entered into a well thought out agreement in full knowledge of its terms. He further confirmed his acknowledgement of this agreement by making an on account payment and it does the Respondent no credit to attempt at this late stage to claim that he is not bound by the agreement.
18. The Tribunal finds that there is an agreement to instruct contractors between all the long leaseholders and the figures have been agreed. The fact there is no invoice from the contractor who undertook the external decorations is one example of the sloppy preparation on behalf of the Applicant.
19. **The Tribunal determines it has no jurisdiction and the question of payment in relation to the windows and external decorations is to be referred back to the County Court**

### **Whether there has been a breach of Section 20B of the 1985 Act as some of the costs were incurred more than 18 months after they were incurred**

20. The Applicant maintains that he was not aware of the demand for payment for the invoice dated 3<sup>rd</sup> January 2013 until he received it from the Applicant's solicitors in February when it was requested by him.
21. Mr Freedman said that demands are sent out half yearly to all the long leaseholders. He does not know of any reason why the Respondent would not receive these demands. His evidence was limited, as he has only recently been appointed to manage the Building. Mr P Singh, the

accountant, confirmed that the procedure was to send out half yearly accounts. The Respondent has failed to show any evidence to support his claim

### **The Tribunal's decision**

22. Although Mr Freedman was a recent appointee, the Tribunal has no reason to doubt that demands were regularly submitted, having had regard to Mr Singh's evidence and the fact there is no evidence of any other long leaseholders failing to receive demands. The Tribunal is not persuaded that there is a breach of Section 20B of the 1985 Act as claimed and that the monies demanded were properly demanded.

### **Whether there was a breach of Section 47 of the Landlord and Tenant 1987 since full details of the rights and responsibilities of the landlord and tenant were not included in the demands**

23. It is clear from the papers before the Tribunal that the demands had a number of different addresses on them. In order to comply with Section 47 of the 1987 Act any demand must have either the registered office of a company or its registered address (**Beitov Properties Ltd v Elliston Bentley Martin [2012] UKUT 133 (LC) UTLC**). According to Ms Modhani the registered addresses were first one of the long leaseholders and then the Respondent, then her address and it is now the address of the registered office of the Applicant.
24. The Respondent also complained that the applications for payment did not state the name of the landlord as required by Section 47 of the 1987 Act. The bundle contained a number of service charge demands and from September 2012 the address given was that of the Applicant's accountants, which the Tribunal was informed, was the registered office of the Applicant

### **The Tribunal's decision**

25. When considering this matter, the Tribunal were hampered by the poor presentation of the both the Applicant's and the Respondent's cases. It was necessary to hunt through the bundle to locate any documents and there were no witness statements to assist the Tribunal in determining the evidence. Indeed, the key witnesses did not attend until after the lunch break.
26. It is evidence that for some time during the service charge years in dispute the address given was 6 Beatrice Court. No evidence was provided that this was the registered office of the Applicant or that the Applicant carried on business there. It seems from the evidence before the Tribunal that the accountants' address was first used in September

2012. Mr Pitts stated in his skeleton that the correct address was used with effect from 3<sup>rd</sup> January 2013.

27. The Tribunal has examined those of the demands that were in the bundle and it is evident that the landlord is the Applicant. The purpose of section 47 of the 1987 Act is to ensure that the tenant is aware of the identity of the landlord and the proper place to serve any notices. In this case the Respondent is a shareholder in the Applicant and well aware of its identity. In that respect the Tribunal is satisfied that that aspect of Section 47 has been complied with.
28. Section 47 of the 1987 Act does not provide that the sums demanded are not payable if the requirements are not fulfilled. What it does state is that the sum demanded is not payable until the correct particulars have been given. Therefore, once the Respondent has been served with correct demands, the sum becomes due. The Tribunal does not find it was to the Respondent's credit that he only raised the issue once proceedings were issued and it was raised in his defence, even though this has clearly been an issue for many years.
29. Since there were a large number of demands that were not compliant with Section 47 of 1987 Act, it follows that any administration charges and legal fees raised in relation to the defective notices are not payable. However, once demands compliant with Section 47 are issued these are payable immediately.

**Whether the Respondent was served with a notice of his rights and obligations as required by Section 21B of the 1985 Act**

30. The Respondent stated that he had never been served with a notice in the prescribed form telling him of his rights and obligations. Both Mr Freedman and Mr Singh stated that the demands were sent using a template that included the requisite notice under Section 21B of the 1985 Act. Mr Freedman could only speak for the short period that he had been managing the Block but Mr Singh had involvement with the Block for many years and was firm in his evidence. The Respondent stated that he had received a copy of the demand from the Applicant's solicitors and that did not have a copy annexed. The Respondent enquired and was informed that he had been sent all the pages of the demand.
31. Both Ms Modhani and Mr Rhodes were asked if the demands received by them had the notice of rights attached and both of them stated that they could not recall and Mr Rhodes said he did not take much notice of the demand, beyond the figure demanded.

### **The Tribunal's decision**

32. Both Mr Singh and Mr Freedman said that a template was used to issue demands. In the Tribunal's view any reputable managing agent would attach the notice under Section 21B of the 1985 Act automatically. The fact that a full demand had not been submitted by the Applicant's solicitors when dealing with this claim is not of any significance.
33. The evidence of Ms Modhani and Mr Rhodes was inconclusive but, in the light of the Respondent's lack of candour in describing the extent of his involvement as a director and his claim that he was refused permission to be a director, the Tribunal prefers Mr Singh's evidence and finds that the notices under Section 21B of the 1985 Act were served.

### **Whether the accounts were properly issued as the date of the accounts differed from that provided in the leases**

34. The Respondent complained that the annual accounts were calculated as from end of December in each year whereas the lease provided for the year end to be 24<sup>th</sup> March in each year. Ms Modhani said in evidence that the accounting year was to follow the terms of the lease but that when the Applicant was registered, accounts had to be filed in accordance with the requirements of Companies House. This meant that the date had to be changed to 24<sup>th</sup> December in each year to comply with the requirements. The long leaseholder, including the Respondent, agreed that changing the date for accounts would be more convenient and cheaper than varying all the leases. All the shareholders agreed to this and agreed to the appointment of the accountants. The year end has been 24<sup>th</sup> December for many years.
35. Ms Modhani said that the shareholders had been advised that it was not required for the accounts to be audited as it was a small amount and that it was agreed between all the shareholders that the accounts could be certified as this would reduce the cost and be compliant.
36. The Respondent said that he had not agreed to the date of the accounting year being changed nor had he agreed to the accounts being certified. He had not been invited to any meetings and had been prevented from being a director.

### **The Tribunal's decision**

37. The Tribunal accepts Ms Modhani's evidence that the accounting year has been 24<sup>th</sup> December in each year for a considerable period of time. Indeed all the accounts in the bundle show that date. It is unfortunate that the Applicant was unable to produced minutes of the meeting



when this decision was made but the Tribunal find that both Ms Modhani and Mr Rhodes are credible witnesses.

38. All the shareholders are members of the Applicant. The Respondent was a director at one point until 2005 or 2006 but he made not attempt to rectify the inconsistency in the date in the lease and the accounting year. There is no evidence that the Respondent has ever complained in the past about the inconsistency.
39. The Tribunal can see no way in which the Respondent has been in any way prejudiced by the difference in the accounting dates. He, in common with all the other shareholders, has been content for the accounts to be prepared in this manner and it is only now that he claims he has no liability to pay until the accounts have been prepared strictly in accordance with the leases.
40. The Tribunal has no reason to believe that the Respondent was not agreeable to the change in the accounting date. This is a long standing arrangement and the Tribunal is satisfied that the change was by agreement with all the shareholders. In the Tribunal's opinion this late objection is an attempt to avoid payment of monies due from the Respondent. The altered accounting date does not invalidate any demands.

**Whether costs in relation to health and safety are payable due to lack of consultation under Section 20 of the 1985 Act**

41. The Respondent maintains that the sums demanded in 2004 for 3176.25, 2006 for £536.38 and 2007 for £193.88 were not payable as there had been no consultation under Section 20 of the 1985 Act. These items related to health and safety inspections required by law.

**The Tribunal's decision**

42. None of the items referred to are qualifying works for which consultation is needed under Section 20 of the 1985 Act. The Respondent has not provided any evidence to show that the costs are unreasonable and the Tribunal finds that these are payable in full.

**Whether or not the reserve account is being properly dealt with**

43. The Respondent had a number of issues relating to the way in which the accounts were prepared. Mr Singh spent some time going through the accounts and dealing with issues raised by the Respondent. The Tribunal does not intend to rehearse each of these issues but is satisfied that the accounts are properly prepared. The Respondent must appreciate that the accounts re a picture of the financial situation and do not necessarily reflect the bank balance at any time.

### **Insurance premium too high**

44. The Respondent complained that the insurance premium was too high for 2001 and previous years. Mr Singh said that the insurance premium was too high in 2011 and looked for a cheaper quote. This was obtained. It was subsequently reduced further. No details of quotations or terms were provided.

### **The Tribunal's decision**

45. There was little information beyond 2 certificates of insurance dated 2010 and 2012. These were with a reputable insurance company and had been obtained through a broker. In the absence of any evidence to the contrary, the Tribunal can find no reason to take issue with the level of insurance, as it appears to be reasonable. There was no explanation for the reduction from either party. The premiums are reasonable and payable by the Respondent

### **Reasons for the tribunal's decisions**

46. The Tribunal finds that all sums due are reasonable and payable by the Respondent with the exception of any administration fees and legal fees arising at a time when the service charge demands were not compliant with Section 47 of the 1987 Act.
47. The Tribunal notes that the Building is a small block of six flats where the landlord and the manager appointed in the lease are owned by all the long leaseholders. Therefore the Building should be managed efficiently and economically with co-operation between the six flat owners. The Tribunal has seen evidence of conflict over many years. All this does is create bad feeling, increase the overall costs and could affect the value of the individual long leaseholders investments.
48. The Tribunal has heard evidence that the Building has in the past been managed by all the long leaseholders co-operating but that co-operation has gone. The Respondent is suggesting re-issue of demands that he fully understands, preparing fresh accounts for many years back to a different date when there is no prejudice to him and there is evidence that he has agreed to the date being changed. All these suggestions would have involved unnecessary expenditure that would ultimately have to be met by the shareholders. The shareholders should be working together in order to maximise the value of their investment.
49. The Respondent should appreciate that his co-shareholders are not trying to treat him unfairly but are merely trying to run the very small block of flats with as little unnecessary expenditure as possible for all

their benefits. They are all in the same position – they want the Building run efficiently and economically.

50. The long leaseholders are all shareholders in the Applicant and are responsible for the Building. They have to co-operate if future harmony is to be achieved and the Tribunal hopes that the Respondent will find himself able to co-operate with his fellow shareholders so that relationships will be improved in the future.

**Application under s.20C and refund of fees**

51. There was no formal application for an order under Section 20C of the 1985 Act. Such an order would state that the costs of these proceedings would not be proper costs to include in the service charges. This would mean that the Respondent would not be responsible for any part of those costs that were included in the service charges.
52. The Tribunal does not consider it appropriate for such an order to be made in the light of the outcome of these proceedings

**Name:**

**Date:**

10 November 2013

**Tamara Rabin  
Judge of the First Tier Tribunal**

## **Appendix of relevant legislation**

### **Landlord and Tenant Act 1985 (as amended)**

#### **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 the appropriate 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 the appropriate 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) the appropriate 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.

## **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 the appropriate 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 the appropriate 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).