

11648



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

**Case Reference** : LON/00AF/LSC/2015/0502

**Property** : Flat C Silverdale, 20 Church Road,  
Shortlands, Bromley, Kent BR2  
0HP

**Applicants** : FIT Nominee Limited and FIT  
Nominee 2 Limited

**Representative** : Mr J Dillon, Counsel

**Respondent** : Mr P Spencer

**Representative** : In person

**Type of Application** : For the determination of the  
liability to pay a service charge

**Tribunal Members** : Judge P Korn  
Mr KM Cartwright FRICS

**Date and venue of  
Hearing** : 14<sup>th</sup> March 2016 at 10 Alfred Place,  
London WC1E 7LR

**Date of Decision** : 11<sup>th</sup> April 2016

---

**DECISION**

---

## **Decisions of the Tribunal**

- (1) In relation to the service charge claim for £5,036.01, this sum is reduced by £620.68 to reflect the partial absence of invoices and receipts for 2012. The remaining £4,415.33 is payable in full.
- (2) In relation to the administration charge claim for £430.00, the Applicants have agreed in writing to waive £180.00 of this total. The remaining £250.00 is payable in full.
- (3) The Tribunal makes no cost orders.
- (4) The case is transferred back to the County Court for final disposal. For the avoidance of doubt, nothing in this determination is intended to fetter the discretion of the County Court in relation to County Court interest or fees.

## **Introduction**

1. The Applicants seek and, following a transfer from the County Court, the Tribunal is required to make (i) a determination pursuant to section 27A of the Landlord and Tenant Act 1985 ("**the 1985 Act**") as to the reasonableness and payability of certain service charges charged to the Respondent and (ii) a determination pursuant to Schedule 11 to the Commonhold and Leasehold Reform Act 2002 as to the reasonableness and payability of certain administration charges.
2. The alleged service charge arrears amount to £5,036.01 and relate to the 2012, 2013 and 2014 service charge years. The element of the claim relating to 2014 is for estimated service charges only. The alleged administration charge arrears amount to £430.00. There is also a claim for ground rent, but this aspect of the claim is outside the jurisdiction of the Tribunal to determine.
3. The relevant statutory provisions are set out in the Appendix to this decision. The Respondent's lease ("**the Lease**") is dated 15<sup>th</sup> November 2001 and was originally made between SE Living Limited (1) and Alan Stephen Cornish (2). It was varied by a Deed of Variation dated 24<sup>th</sup> March 2003. The Respondent is the current leaseholder and the Applicants are his current landlord.

## **Preliminary issue**

4. The Respondent was accompanied at the hearing by Mr S Wren, the owner of the semi-detached property known as The Coach House situated on the other side of the Respondent's building. It became apparent at the start of the hearing that the Respondent was expecting or hoping that Mr Wren would be able to give evidence on his behalf,

despite not having provided a written witness statement and despite the Respondent not having given any other prior indication that he intended to call Mr Wren as a witness.

5. The Tribunal explained that as a general rule a person cannot give witness evidence unless that person has previously provided a written witness statement. However, the Tribunal also noted that the Respondent was unrepresented and that the directions were arguably not as clear as they might have been on this point. After hearing Mr Dillon's submissions on behalf of the Applicants on this point the Tribunal determined that Mr Wren could give witness evidence but only on those points on which he had direct knowledge, namely the gates and the grounds maintenance.

### **Conceded points**

6. In his written witness statement Mr Hollingshead states unconditionally that the Applicants are prepared to waive £180.00 of the administration charges (the last two items in the list contained in the Applicants' County Court Particulars of Claim). Therefore, the administration charges forming part of the claim now amount to £250.00.
7. At the start of the hearing Mr Dillon for the Applicants conceded that the service charge accounts for the combined years 2011 and 2012 contained a significant qualification by the Applicants' accountants Clement Keys LLP. The qualification was that there was an aggregate of £10,316.21 in respect of which they were unable to agree to receipts or other documentation or evidence. This represented about one third of the total expenditure on which the service charges for those two years was based.
8. The Applicants' proposed solution to this problem was to reduce the Respondent's service charge bill for 2012 by the same proportion, i.e. by approximately one third to £1,260.17.

### **The issues**

#### **Gates**

9. Mr Wren in his oral evidence said that he was concerned that leaseholders were being charged for the cost of maintenance of the gates but that maintenance was not being provided. The Applicants' agents had not supplied details of any maintenance contracts and Mr Wren had in practice maintained the gates himself. Periodically, some residents had experienced difficulties in exiting from the site as a result of problems with the gates.

10. In cross-examination Mr Dillon asked Mr Wren whether the Applicants could have organised repairs to the gates which might have taken place whilst Mr Wren was absent, to which he replied that this was not possible as somebody would have informed him.

#### Grounds maintenance

11. Mr Wren in his oral evidence said that over the last 18 months to 2 years the grounds maintenance had been good but that previously the grounds had been dilapidated. The outer fence had not been maintained or creosoted. The gate to the bin storage had been continuously broken, and there had been problems with rats and other rodents. The driveway had been overgrown with moss. Residents had got together to clear the grounds at various points.
12. In cross-examination Mr Wren and the Respondent accepted that the actual charge for grounds maintenance in 2013 was reasonable for the amount of work done. In relation to 2014, after some thought, they said that a reasonable charge would be 50% of the actual charge.

#### Cleaning

13. The Respondent said that the cleaning service was random. Some things were not addressed, such as stains and missing screws, and the cleaning was generally done in a slapdash manner. He accepted, though, that cleaning took place monthly. He felt that a reasonable charge in each year would be 50% of the actual amount charged.

#### Maintenance agreements

14. The Respondent said that the emergency lighting never worked and pest control was never done. He accepted that there were maintenance agreements in place but said that there was no proof as to what work was being done, and the service seemed expensive.

#### Management fee

15. In the Respondent's view the managing agents had not done very much and had not been thorough in their approach. Site visits were infrequent and their response to complaints was unsatisfactory. There were always delays, and sometimes the managing agents said that they were short-staffed. The management fee for each year would be reasonable if a reasonable service was being provided, but for the level of service which was actually being provided the Respondent felt that he should not have to pay more than £100 per year.

### Water supply

16. The Respondent accepted, once it was pointed out to him, that he had not been charged anything under this head. Nevertheless, he wanted to make the point that he was concerned about a leak which had led to the cutting off of the water supply serving the exterior for 3 years which had meant that residents could not wash their cars or water the grass.

### Window cleaning

17. The Respondent said that this was not done very regularly and that the windows generally had not been clean. He did not take issue with the level of charges for 2012 and 2013, as he accepted that these were low, but for 2014 he felt that he should only have to pay 50% of the amount charged.

### Buildings insurance

18. The Respondent felt that this was too expensive. At the hearing he said that he had obtained an alternative quote from "Go Compare" but in response to a question from the Tribunal he said that he did not have any written evidence of this quote or of the basis on which the quote was given.

### Generally

19. The Respondent referred the Tribunal to some photographs in the hearing bundle which he said spanned the period 2012 to 2014. He commented that they showed a damaged gate in the bin area, dirty bins and bin area, dangerous low walls, a leak that did not receive any attention and an easily repairable hole which had been there for 3 years.
20. In his written statement of case the Respondent states that, despite repeated requests, the Applicants have failed to provide leaseholders with annual accounts for expenditure and proposed works. He also states that services have not been provided and that the sums claimed only represent an estimate of what the managing agents believe will be the cost of the services. He further states that the leaseholders have carried out services to the building, grounds and common areas at their own expense and that Mr Wren has maintained the gates.

### Mr Hollingshead's evidence

21. Mr Hollingshead is a Senior Property Manager at CP Bigwood Chartered Surveyors, the Applicants' managing agents, and he had provided a written witness statement (dated 2<sup>nd</sup> February 2016) prior to

the hearing. He said that the Respondent had been withholding payment of service charges, as had most other residents at some point. Now, though, only two people were still withholding payment – the Respondent and Mr Wren. The others started paying in early 2014 and some were on an agreed instalment plan.

22. The withholding of payments had forced the Applicants to minimise expenditure and to concentrate on priority issues (as distinct from aesthetic issues), particularly in 2013. Expenditure increased to some extent in 2014 as some money was by then coming in. The priority issues were paying for the utilities, insuring the building and dealing with health and safety issues, and once these had been dealt with there was not much money left for anything else whilst such a large proportion of the service charges was being withheld.
23. Contrary to the Respondent's assertions, the managing agents had visited the building every 6 weeks. In Mr Hollingshead's view, a reasonable management fee was £300 to £350 + VAT per flat.
24. In his written witness statement Mr Hollingshead states that CP Bigwood have been the managing agents since March 2013 and that it was their predecessor – Pinnacle – who had sent out the 2012 and 2013 "on account" demands. As regards the Respondent's written statement of case, Mr Hollingshead comments that the Respondent has given no reasons to support his assertions that the Applicants had failed to provide or adequately to provide services or that charges were not reasonably incurred or that services/works were not of a reasonable standard.
25. Mr Hollingshead further states in his written witness statement that the Respondent has failed to show a willingness to pay any sums demanded of him and that he has not even attempted to pay an amount which he considers to represent a reasonable charge for the services provided. As regards the allegation that the Applicants have failed to provide accounts for the years in question, Mr Hollingshead denies this. He adds that to the best of his knowledge the Respondent has never exercised his right under section 22 of the 1985 Act to inspect the relevant invoices.

#### Applicants' further submissions and closing summary

26. In their written statement of case the Applicants note that the Respondent is not challenging the reasonableness of any specific invoice and does not state in his own statement of case what would be a reasonable amount to pay. They also comment on each individual point raised by the Respondent in the Scott Schedule.

27. At the request of the Tribunal Mr Dillon took the Tribunal through the relevant sections of the Lease so as to establish the basis on which the Applicants considered the various service charge items and the administration charges to be payable. He also referred the Tribunal to the copy invoices in the hearing bundle which related to the unpaid administration charges.
28. As regards the building insurance premiums and the management fees, in Mr Dillon's submission the Respondent had failed to show that these should have been provided at a lower cost. As regards the other items, these were all very small sums. It was accepted by the Applicants that they had not carried out extensive works to the building or its grounds, but this was because they did not have sufficient money to do so as a result of the withholding of service charge payments. If the Respondent's primary concern was alleged failure by the Applicants to comply with their obligations under the Lease this was not the forum in which to enforce those obligations.

#### Respondent's closing summary

29. The Respondent said that he had lost faith in the management and that was why he had not been paying his service charges. He had found CP Bigwood to be aggressive in demanding payment and there had been no consultation with leaseholders.

#### **Tribunal's comments and determination**

##### Applicants' general concession in relation to the 2012 service charge year

30. We note the reservations expressed by the Applicants' accountants in relation to the service charge accounts for 2011 and 2012. The comments in relation to 2011 are not directly relevant to this case as the 2011 service charge year does not form part of the claim. However, their reservations in relation to 2012 are directly relevant and have prompted the Applicants to offer a reduction in the service charge for that year by approximately one third.
31. As the accountants' reservations are expressed in service charge accounts which have been amalgamated for the 2 years 2011 and 2012, it is not possible to know, without seeing any underlying information, how much of the expenditure which is unsupported by invoices/receipts is attributable to each year. In the absence of this information we accept that there is no practical alternative than to assume the unsupported element to be split equally as between each year. The amount for which the accountants are unable to account is approximately one third of the total, and therefore we accept that it is appropriate to reduce the amount payable in respect of the 2012 service charge year by approximately one third, subject to any other reductions

that should be made. We therefore agree that it is appropriate to reduce the service charges for 2012 to £1,260.17 as proposed by the Applicants.

### Overall observations

32. We will comment below on certain specific points made in relation to particular heads of charge, but first there are some general points to be made. As the claim has been brought by the Applicants it is for them to make a prima facie (i.e. a basic) case to show that the various charges are payable in principle and then it is for the Respondent to challenge that case in an effective manner.
33. Having considered the Applicants' submissions and the terms of the Lease, we are satisfied that each head of service charge and each of the administration charges (leaving aside those waived by the Applicants) is recoverable in principle under the Lease, subject to any specific reason as to why any specific charge should not be payable in full or at all.
34. The Respondent's statement of case is a very generally worded document. The statement of case was an opportunity for the Respondent to identify his detailed concerns, to provide evidence of them, to provide comparable evidence such as alternative quotations, to provide relevant copy correspondence and also to identify particular further information that he needed from the Applicants. In the absence of a more detailed statement of case from the Respondent it was difficult for the Applicants to say much more than they did in response, and in our view the Applicants' submissions are sufficient to make a prima facie case on the points remaining in dispute.
35. Under the terms of the Lease, as is usual, the Respondent is contractually obliged to pay the service charges and administration charges without deduction. As the Respondent accepts, he has not paid any service charges for a considerable period of time, in breach of his obligations under the Lease and despite the fact that he acknowledges that some services have been provided. He could have chosen to pay under protest or he could have made his own application to the First-tier Tribunal for a determination as to the reasonableness of the service charges. Alternatively, he could at least have minimised the breach of his payment obligations under the Lease by identifying what he considered to be a reasonable sum and just paying that amount.
36. The Respondent objects that the Applicants have been charging him in advance based on estimates as to forthcoming expenditure. However, this is standard procedure and is allowed for under the Lease by virtue of the wide definition of "Block Service Charge". Estimates need to be reasonable, based on the information that the landlord has at the time when it prepares its budget, and then there needs to be a balancing



adjustment at the end of each service charge year to reflect the actual amount of expenditure once that has been calculated, if different. The actual expenditure also needs to be reasonable, and therefore there is the potential for a leaseholder to challenge the reasonableness of the estimated service charge for a given year and then – separately – the reasonableness of the actual service charge for that year.

37. Specifically in relation to the building insurance, it is accepted by the Respondent that the building is insured and therefore the only issue is whether the amount is reasonable. In relation to management fees, the Applicants have given evidence that the building is visited by the managing agents on a regular basis and that for much of the time they have had to limit themselves to dealing with priority matters such as insurance, health and safety and utilities as a result of the Respondent and Mr Wren (and, to a lesser extent, others) withholding their service charges. In relation to the other items, they submit that these are very small and that the low charges reflect the admittedly limited amount of expenditure due to the difficulties in obtaining payment.

#### Gates

38. The Respondent, via Mr Wren, has stated that the Applicants did not look after the gates during the period of this dispute and that instead Mr Wren did so. As noted at the hearing, this is not the proper forum for complaints about alleged breaches of the landlord's covenants under the Lease; the issue is whether the actual amounts charged were reasonably incurred.
39. In the combined years 2011 and 2012 the sum of £833.40 was charged in relation to gate costs, of which £304.20 was an allocation to the general reserve fund and the remainder related to a maintenance agreement. The Respondent was charged 11.11% of the cost. This is not a large sum (amounting to about £46.00 per year for the Respondent) and, although we do not have specific information as to work done, in our view on the balance of probabilities this charge was reasonably incurred. In 2013 £418.08 was allocated, most of which went to the reserve fund, and the estimated amount for 2014 was £418.00. Again, on the balance of probabilities the 2013 charge was reasonably incurred and the 2014 charge was a reasonable estimate.

#### Grounds maintenance

40. The total cost of grounds maintenance for 2012 amongst all leaseholders was £3,305.00 in 2011 and 2012 combined and then it dropped in 2013 to £488.40 and then to a budgeted figure of £733.00. According to CP Bigwood's description of work covered this included regular mowing of lawns, leaf collection, litter picking, tending borders, sweeping bin area and cleaning car parks.

41. Even if we were to accept the Respondent's complaints about the standard of ground maintenance at face value he does not deny that some grounds maintenance has taken place, and these are not large charges per flat. In any event, the quality of the Respondent's evidence is quite weak – for example there are no copy letters of complaint and the photographs only provide very limited information. In addition, the Applicants accept that they have not provided a perfect service but state that they were forced to downgrade non-essential aspects of the service as a result of the withholding of service charges. Furthermore, the Respondent accepts the 2013 figure, and the 2014 figure is merely an estimate and therefore not dependent on actual expenditure. Therefore, we consider, on the basis of the evidence available, that the amounts for 2012 and 2013 were reasonably incurred and that the 2014 charge was a reasonable estimate.

### Cleaning

42. The Respondent accepts that cleaning has taken place monthly. He complains about the standard of cleaning but has provided no tangible evidence and no letters of complaint from himself or from others. The cleaning charges for the years in question are low, and on the basis of the evidence available these amounts were in our view reasonably incurred or (in the case of 2014) a reasonable estimate.

### Maintenance agreements

43. The Respondent's challenge to these in our view lacks focus. He does not deny that there are maintenance agreements in place, and although we appreciate that it is difficult to prove a negative he has produced no evidence to support his claim that the emergency lighting never worked or that pest control never took place. At the very least we would have expected to see copy correspondence detailing these concerns and demonstrating the Applicants' failure to deal with those concerns over a long period of time.

### Management fee

44. The managing agents accept that the Applicants have provided a limited service at times but state that this has been due to non-payment of service charge. Whilst, as stated above, there is no general entitlement to withhold service charges, it could still be the case that non-payment was genuinely triggered by poor services, and it is easy for managing agents who are providing a poor service to claim that the poor service results from non-payment rather than vice versa.
45. CP Bigwood took over in March 2013, and the problems with reconciling the 2011/12 expenditure with available invoices and receipts therefore predated their involvement. In principle it would be possible

to make a reduction in the previous managing agents' charges for 2012, but very little information has been provided on which to base any such reduction.

46. As the Respondent himself accepts, the annual charges are reasonable assuming a good service. It is possible that both Pinnacle and CP Bigwood could have provided a better service, but unfortunately for the Respondent he has not – in our view – provided anything by way of tangible evidence to demonstrate that the service has been sub-standard. He could, for example, have sent letters of complaint to the managing agents and provided copies of these together with copies of their responses. He could have organised supporting letters from other leaseholders and/or a proper witness statement from Mr Wren. Or he could have provided some tangible evidence of poor decision-making by the managing agents in relation to particular management decisions. In addition, he has clearly made it much harder for the managing agents to do their job by failing to pay any service charges whatsoever over a long period of time.
47. In the circumstances we consider that, on the basis of the available evidence, the management fee in each year was reasonably incurred or (in the case of 2014) a reasonable estimate.

#### Water supply

48. There are no charges relating to the water supply and therefore there is no determination to be made.

#### Window cleaning

49. The Respondent is now just objecting to the charges for 2014. However, in respect of 2014 the claim relates to the estimated charges only, and these are zero and so there is no determination to be made.

#### Buildings insurance

50. The Respondent's challenge is on the basis of an alternative quote from "Go Compare", of which no copy has been provided. As explained at the hearing, for this to serve as persuasive comparable evidence the Tribunal would need to see a written quotation containing sufficient detail to be able to satisfy itself either that the quotation has been obtained on a "like for like" basis or that the differences are unimportant or can properly be taken into account in a particular way.
51. Having looked at the premiums we do not consider that they fall outside the range of what could be considered to be reasonable, and we have no other information which would form the basis of a proper challenge. Therefore, we consider that the insurance premiums for

each year have been reasonably incurred or (in the case of 2014) represent a reasonable estimate.

#### Other items

52. On the basis of the information provided the other service charge items which were not specifically challenged seem to us to be reasonable in amount and are payable in full for the period of dispute.
53. The payability of the two administration charges – a £190.00 charge for preparing and serving a letter before action and a £60.00 charge for a follow-up letter – has not been disputed by the Respondent. On the basis of the limited information that we have the amounts are reasonable and they are properly recoverable under the terms of the Lease.

#### Balancing charge for 2014

54. In his written witness statement Mr Hollingshead states that the year-end accounts for 2014 have been completed. This has resulted in a balancing charge to the Respondent and Mr Hollingshead has asked the Tribunal to make a determination on the reasonableness of this charge. However, as this case has been transferred from the County Court the Tribunal's powers are limited to the actual claim and to the terms of that transfer, and therefore the Tribunal does not have jurisdiction to make a determination on the reasonableness of the 2014 balancing charge.

#### Cost Applications

55. The Respondent has made a section 20C application.
56. The section 20C application is an application for an order that none (or not all) of the costs incurred by the Applicants in connection with these proceedings may be added to the service charge. Save in relation to the two points conceded by the Applicants, one in written submissions and the other at the start of the hearing, the Applicants have succeeded on all issues. We also consider, to the extent that this is relevant to section 20C, that the Applicants have conducted themselves properly in connection with these proceedings and accordingly we do not consider it appropriate to make a section 20C order.
57. No other cost applications have been made.

**Name:** Judge P Korn

**Date:** 11<sup>th</sup> April 2016

## **RIGHTS OF APPEAL**

- A. If a party wishes to appeal this decision to the Upper Tribunal (Lands Chamber) a written application for permission must be made to the First-tier Tribunal at the regional office dealing with the case.
- B. The application for permission to appeal must arrive at the regional office within 28 days after the Tribunal sends written reasons for the decision to the person making the application.
- C. If the application is not made within the 28 day time limit, such application must include a request for extension of time and the reason for not complying with the 28 day time limit; the Tribunal will then look at such reason and decide whether to allow the application for permission to appeal to proceed despite not being within the time limit.
- D. The application for permission to appeal must identify the decision of the Tribunal to which it relates (i.e. give the date, the property and the case number), state the grounds of appeal, and state the result the party making the application is seeking.

## **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.

## **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).