

10687



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

Case reference : **LON/00BB/LSC/2014/0497**

Property : **Flats 7, 8, 9, 11 and 12 Magdalene
Gardens, East Ham, London E6
6HS**

Applicants : **London Borough of Newham**

Representative : **Andrew Dymond, Counsel**

Respondents : **Mr T Hession (Flat 7)
Mr D D Vyas (8)
Ms Y Johnson (9)
Mr S F Elahi (11)
Mr J Pereira (12)**

Representative : **None**

Type of application : **For the determination of the
reasonableness of and the liability
to pay a service charge**

Tribunal members : **Judge T Cowen
Mrs Bowers MSc MRICS
Mr Packer**

Venue of hearing : **10 Alfred Place, London WC1E 7LR**

Date of hearing : **18 December 2014 and 20 January
2015**

DECISION

Negotiated Settlement – Mr Hession and Mr Elahi

The hearing took place before the Tribunal (without a site visit) on two separate dates approximately one month apart, because the evidence and submissions could not be completed within the original 1 day time estimate. Between the two dates, the parties entered into negotiations and two of the Respondents – Mr T Hession and Mr S F Elahi – reached separate settlements with the Applicant. The settlements resulted in agreed draft consent orders, which we hereby approve. The remainder of this decision will relate solely, therefore, to the issues raised by the remaining Respondents (“the Tenants”).

Decisions of the tribunal – Re: Mr Vyas, Ms Johnson & Mr Pereira

- (1) The tribunal determines that the amounts payable by each of the remaining Tenants by way of service charges for the year 2012, for the major works (carried out in 2010) which were the subject of this application, are as follows:

Flat 8	Mr Vyas	£3,638.50
Flat 9	Ms Y Johnson	£4,136.47
Flat 12	Mr J Pereira	£4,136.47

- (2) In the light of the Applicant’s indication that none of the costs of these proceedings would be passed on to the Tenants as service charges and for the avoidance of doubt, the tribunal makes an order under section 20C of the Landlord and Tenant Act 1985 so that none of the Applicant’s costs of the tribunal proceedings may be passed on to the lessees through any service charge.
- (3) The tribunal has decided not to make an order for costs under rule 13 of the Tribunal Procedure (First-tier Tribunal) (Property Chamber) Rules 2013.
- (4) The reasons for the orders made above are set out in the remainder of this decision.

The application

1. The Applicant (“the Council”) is the landlord who is a local authority. It 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 Respondents in respect of major works carried out in 2010.

2. The Council decided to make the application in the face of an ongoing dispute with the Tenants concerning the level of service charges for the relevant works.
3. The relevant statutory provisions are set out in full in the appendix to this decision. In this case, sections 19, 20 and 27A(1) of the 1985 Act are particularly relevant
4. By the date of the hearing, the Council's claim in respect of each of the remaining Tenants was as follows (amounts initially demanded by the Council also shown):

		Amount initially demanded	Amount claimed at hearing
Flat 8	Mr Vyas	£15,645.85	£5,305.00 (after cap applied)
Flat 9	Ms Y Johnson	£15,288.47	£11,269.79
Flat 12	Mr J Pereira	£15,288.47	£11,269.79

The Properties

5. The Properties are all flats held under long leases. They are situated in purpose built blocks at the end of Magdalene Gardens, a cul-de-sac.

The Leases and the Service Charge Covenants

6. The Tenants hold long leases of their respective flats in the property. There are three different types of lease involved, but the service charge provisions are in materially the same terms in each type.
7. The leases require the Council to provide services and for the Tenants to contribute towards their costs by way of a variable service charge. This is provided for in clause 5(2) of the leases and the Third Schedule thereto. The service charge year runs from 1 April to 31 March.
8. One important feature of the service charge provisions in the leases, for the purposes of this matter, is that the service charges are to be calculated by reference to "the Estate". The Estate is defined in each lease as the building in which the flat is situated together with gardens and the rest of the plot on which they stand. So three "Estates" are relevant here:
 - a. one in respect of Flats 7 and 8
 - b. one in respect of Flats 9 and 10

- c. one in respect of Flats 11 and 12
9. The Tenants do not suggest that the cost of works claimed fall outside the terms of the lease. It seems to us that the disputed works are recoverable under the terms of the lease. It remains for us to determine whether they are recoverable under the relevant statutory provisions cited above and in the light of the Tenants' challenges.

The Works and the Section 20 Procedure

10. The works in question in this application are described by the Council as planned maintenance to maintain the fabric of the buildings and to replace components which had reached the end of their life-cycle. They were carried out as part of the Decent Homes programme. The works were carried out to a total of 68 maisonettes and 9 other housing units.
11. The Council notified the Tenants (and other leaseholders) of the intended works by notice under section 20 of the 1985 Act dated 13 January 2010. The Tenants did not take up the opportunity to comment during the section 20 notice period.
12. Mr Vyas claimed that the Council had not complied with the section 20 procedure, but his complaints related to the truth of the contents of 2 asbestos reports which were sent to the Tenants (Euro Lab in 2009 and Manestream in 2010). This does not seem to us to invalidate the procedure. In our judgment, the section 20 procedure was properly followed by the Council.
13. The works were carried out between February and August 2010. Invoices for the works were sent to the Tenants in December 2012.

The issues

Asbestos

14. The Tenants' main concern related to the removal of asbestos, one of the items listed with the Council's initial demand. The Tenants were concerned (a) about costs claimed in relation to asbestos investigations and removal and (b) whether appropriate asbestos removal works had been carried out. Prior to making this application, the Council agreed to remove from the service charge invoices any costs relating to asbestos investigation or removal. They informed the Tenants of that decision by letter dated 17 July 2014.
15. Despite this, the Tenants continued to be concerned about the possible dangerous presence of asbestos at the properties and were also sceptical about the credibility of what they were being told by the Council, and the reports it had commissioned, about asbestos.

16. The Council, on the other hand, have commissioned and disclosed a number of reports resulting from asbestos investigations and claim that they have done everything they can to ensure that the properties are safe from that point of view. They do, however, accept that they had originally charged for alleged asbestos removal which had never been done and that there were contradictory reports on the question of the presence of asbestos. This has led to an understandable absence of trust of the Council by the Tenants, some of whom continue to believe that the Council is hiding something from them.
17. We understand completely that any possible presence of a dangerous substance in or near one's home is very worrying and we also sympathise with the strong desire of home-occupiers to have the matter sorted out quickly and effectively. However, we have jurisdiction only to consider the amount of service charges payable. Since the Council has removed any item relating to asbestos from the service charges claimed, we have no standing to consider any of the Tenants' concerns about asbestos. Regrettably, we are therefore unable to make any findings of fact or offer any view about the asbestos issue. If the Tenants wish to pursue that matter, they will have to do so in a different forum.

Roofing Works

18. The works carried out in 2010 included the replacement and renewal of roofing surfaces on the blocks in question. Prior to the hearing before us, the Council conceded that the roof replacement works were not necessary and removed that cost from their claim. That issue, therefore, no longer requires a decision by us.

Other issues

19. The Tenants raised the following additional challenges to the other works:
 - a. The quality of work was sub-standard.
 - b. Work was done which was not necessary – in particular the replacement of windows, which were already double-glazed.
 - c. The management fees, supervision costs and profit/overheads element were all too high.
20. The tribunal heard the evidence and submissions of the parties and considered all of the documents provided.

Evidence

21. The Council called evidence from:
 - a. Simon Throp, its Interim Head of Housing Property Services
 - b. Joe Pyner, its Leasehold Services Officer
 - c. Mehmet Yalchin, its Building Risk Assessor
22. We found all of the Council's witnesses to be honest and credible witnesses doing their best with the material they had. We did not accept the Tenants' submission that the Council's conduct on the asbestos issue adversely affected the credibility of the Council's witnesses before us.
23. All of the Tenants gave their own evidence. They did not call any additional witnesses.
24. The particular concerns (which are relevant to our jurisdiction) of each of the remaining Tenants can be summarised as follows:

Mr Vyas

25. He queries the calculation and accuracy of invoices he has received. He also challenges the cost of the window replacement and the charges for supervision, management and profit.
26. In particular, in the case of Mr Vyas, the Council have capped his service charges at £5,305. They have explained that Mr Vyas is not entitled by contract or statute to a cap on his service charges, but that he was erroneously informed by the Council that he was entitled to a cap, at the time he purchased his property. The Council feel obliged to honour this representation and have been applying a voluntary cap on his service charges accordingly. Mr Vyas has queried this before us, but he does not claim to be entitled to a lower cap. It seems to us that this does not raise any issue on which this Tribunal can adjudicate. The application of a voluntary cap is a matter for the Council. It does not come at the cost of other tenants because the Council will foot the bill for the difference. In any event, because of the figures we have decided to determine, the cap becomes irrelevant.

Ms Johnson

27. She complains that the chimney stack collapsed in January 2012, after the works had been carried out. Ms Yalchin gave evidence that this was due to an unusually violent storm. Ms Johnson claims that it was the

result of poor workmanship when the roof was replaced. This issue no longer has a bearing on our decision, because the Council is not seeking the cost of roof replacement. So there is no reason for us to decide whether the work was carried out to a reasonable standard. Any losses suffered by Ms Johnson as a result of poor workmanship would have to be claimed by her in a different court. We make no comment on whether such a claim would succeed.

28. She also complains that work to windows and doors was done to a poor standard such that the back door lock was faulty and that cracks have appeared in at least two of her new windows, most recently in November 2014. She says that the new windows are less effective than the old ones, since they allow in draughts and more noise from the highway than the old windows. The Council claim to have checked the windows and deny that they allow in draughts. They state that double glazed windows are not designed for noise reduction but for heat conservation. They also claim that the crack in the windows was caused by changes in temperature and not by poor workmanship or materials.
29. Finally, Ms Johnson is concerned that there is a crack in the brickwork in the side of her building which has not been repaired. It was simply painted over by the Council in 2010 and has subsequently re-appeared. The existence of the crack pre-dated the works and the Council are not seeking to charge for its repair, so that issue does not go to the reasonableness of the service charges in question.

Mr Pereira

30. Mr Pereira's concerns (apart from asbestos) were, in common with the other Tenants, to do with the necessity of the window replacement works. We have dealt with that issue in a separate section below.
31. He also challenges the cost of external decoration and window replacement as being too high. He claims like Ms Johnson that the new window are draughty. He complains about the charges for supervision, profits, management and professional fees.
32. We are unable to deal with Mr Pereira's submissions about his ability to pay in relation to his children's university fees, because that falls outside our jurisdiction. We are also unable to consider his claim that the Council's contractors caused damage to his garden. Such a claim for damages cannot be made in this Tribunal.

The tribunal's decision and reasons

33. The tribunal has made the following decisions with respect to each of the issues.

Windows

34. We have reached the conclusion that the cost of the replacement of windows in respect of all the relevant flats was not reasonably incurred. There was no reason to replace the windows at all. None of the tenants had reported any faults, deterioration or material wear and tear. In fact, there was evidence that no works of repair or redecoration had been carried out on the exterior of the buildings in question for a considerable time before the Council started to apply the Decent Homes policy recently. In our judgment, the quality of the existing double-glazed windows was good despite that apparent previous neglect.
35. The Council was unable to provide any evidence that the windows had reached the end of their life in 2010. Their best estimate (evidenced by a Savills report) was that they may have needed replacement in 2015. But this was based on a generic life expectancy for the type of windows in question and there was no clear evidence as to when they had been installed in the first place. In our judgment, windows of the quality and condition of the existing windows may well have lasted considerably longer than that. Whilst the Council told us that some windows on their properties in the area were suffering rot, they could not say that this was the case with the windows in question. A reasonable landlord would have reviewed the state of the windows in a more specific way and not necessarily replaced them wholesale in 2010. It was not reasonable to replace perfectly good windows simply because the Council was engaged in a larger-scale window replacement operation across a swathe of its housing stock.
36. The Council also argued that it was economic to replace the windows while scaffolding was already up. We disagree. The scaffolding was up largely because of the roof replacement, which was also unnecessary by the Council's own concession. In any event, the erection of scaffolding does not justify works which may not need doing for many years thereafter.
37. Overall, when considering whether a reasonable owner-occupier would have chosen to spend their own money to replace the windows at that time, we take the view that they would not do so.
38. Mr Pereira wrote to the Council (on a special needs form) on 29 March 2010 stating that the windows in his property were in good condition and did not need replacing. He objected to the proposed replacement. The Council were therefore on notice, that this was a live issue, before they started the work.
39. In addition, there was compelling evidence from all of the remaining Tenants that the new windows were a poorer product than the previous ones. They reported increased traffic noise, increased draughtiness and

some defective glazing. This contributes to our conclusion that it was not reasonable to replace good working windows with an inferior product poorly installed.

40. We have therefore reached the conclusion that it was not reasonable at all to replace the windows in 2010 and there is no reason to believe that the windows would have needed replacing in the foreseeable future thereafter. Service charges relating to the cost of replacement of the windows are therefore not payable by the remaining Tenants.

Exterior works

41. Other than the roof replacement works, for which the Council is no longer seeking payment, they are claiming service charges for fascia, soffit, rainwater goods and insulation. This amounts to a block recharge of £6,505.30 for Flat 8. Mr Vyas gave evidence that that work on the guttering was of poor quality and that there was no insulation work done at all. The Council gave no evidence in response. We accept the evidence of Mr Vyas in the regard and in our judgment it would be appropriate to reduce the block recharge, in respect of the block which contains flat 8, by £500 to reflect this.
42. There is a block recharge of £2,200 per block in respect of scaffolding and working platforms. This is the same figure which appeared in the section 20 notice estimates. It has not been reduced to reflect the fact that the Council has conceded that the roof replacement works were unnecessary and should not be charged to the tenants. We are of the view that, although it was reasonable to erect scaffolding in order to carry out exterior works, at least 25% of its costs can be attributed to the extent of the roof and window replacement works and the time taken for those jobs. We have therefore determined that the block recharge should be reduced from £2,200 to £1,650.

Other items

43. The Council explained at the hearing that as a matter of policy they set a maximum limit with respect to each item, known as the "AMP". In relation to the item charged as "Communal area works repair/renewal", the Council had omitted to apply the AMP. They conceded at the hearing that this should be done. This brings the block recharge cost for that item down from £1,252 (for Flat 8) or £1,251 (for the other) to £1,153.20 (in both cases).
44. The works supervision costs claimed by the Council amounted to a total of £7,536.86 (for each block). This figure had been reduced fractionally since the original section 20 notice estimates. They should have been reduced to reflect the fact that a large amount of the works which were being supervised (namely the roof replacement) was not chargeable. We would reduce them further to reflect our determination that the

window replacement works were also not chargeable. In our experience, a figure of £1,561.58 (for the flat 8 block) and £1,758.88 (for the flat 9 and flat 12 block) would be reasonable, being 13.5% of the cost of works as we have determined them.

45. The only other figures which need to change are the two other items which are expressly calculated as a percentage of the cost of works, namely: (a) overheads and profit at 6% and (b) management fees at 3%. These need to be reduced to reflect the change in the total cost of works of which they are a percentage. We do not accept the Tenants' submission that no overheads and profit should be allowed. We accept the Council's evidence that the figure does not represent an attempt by the Council to profit out of the repairs. Rather it shows the profit element charged by the contractors as a separate item in order to be helpful. We do not think it is unreasonable for the contractors to cover their overheads and make a profit and the rate of 3% is a reasonable one.
46. Professional fees are capped at £100 per leaseholder in any event, so there is no need to revisit that figure and it is not challenged by the Tenants.
47. We have not mentioned all of the items on the service charge account in question, only those which have been challenged or whose calculations are affected by our decisions. The remaining items on the relevant account are either not challenged by the remaining Tenants or else there is no sum claimed for them by the Council.
48. The final figures which result from our decision are set out in paragraph (1) above. Since the figure calculated for Mr Vyas is below the level of the voluntary cap applied by the Council, we have not needed to apply that cap in this determination. Our calculations which resulted in those final figures are set out in two schedules attached to this decision:
 - a. Schedule 1 relates to the block containing Flat 8
 - b. Schedule 2 relates to the block containing Flats 9 and 12.

Application under s.20C

49. The Respondents applied for an order under section 20C of the 1985 Act. Having heard the submissions from the parties and taking into account the determinations above, the tribunal determines that it is just and equitable in the circumstances for an order to be made under section 20C of the 1985 Act, so that the Applicant may not pass any of its costs incurred in connection with the proceedings before the tribunal through the service charge.

50. The tribunal has decided not to make any costs order under rule 13 of the 2013 Procedural Rules because no party has behaved so unreasonably as to warrant such an order.

Dated this 9th day of March 2015

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).

SCHEDULE 1 TO DECISION ON MAGDALENE GARDENS
LON/00BB/LSC/2014/0497 - MAG 4 Flats 5, 6, 7 & 8

Item	Component	Block Recharge	Property Recharge
1	Asbestos	0	
2	Communal area repair/renewal	1153.2	288.3
3	Communal decorations	2098.75	524.69
4	Door entry	0	0
5	Landlords lighting	0	0
6	Landlords mechanical services	0	0
7	Landlord's service risers	330	82.5
8	Roof, fascias, soffit, rainwater/insulation	6005.3	1501.32
9	Scaffolding	1650	412.5
10	Windows/Doors	0	0
11	Works contingency costs	330	82.5
12	Works design/supervision}		
13	Works supervision}	1561.58	390.39
14	Overheads/profit	787.73	196.93
Total			
15	Management fee	417.5	104.37
16	Professional fees		100 Capped by LL
17	Professional fees (Savills)	0	0
Total			3,638.50

SCHEDULE 2 TO DECISION ON MAGDALENE GARDENS
LON/00BB/LSC/2014/0497 - MAG 1 Flats 9, 10, 11 & 12

Item	Component	Block Recharge	Property Recharge
	1 Asbestos	0	
	2 Communal area repair/renewal	1153.2	288.3
	3 Communal decorations	1744.82	436.21
	4 Door entry	0	0
	5 Landlords lighting	0	0
	6 Landlords mechanical services	0	0
	7 Landlord's service risers	330	82.5
	8 Roof, fascias, soffit, rainwater/ins	7821.5	1955.37
	9 Scaffolding	1650	412.5
	10 Windows/Doors	0	0
	11 Works contingency costs	330	82.5
	12 Works design/supervision}		
	13 Works supervision}	1758.88	439.72
	14 Overheads/profit	887.26	221.81
Total			
	15 Management fee	470.25	117.56
	16 Professional fees		100 Capped by LL
	17 Professional fees (Savills)	0	0
Total			4,136.47