12386

FIRST - TIER TRIBUNAL
PROPERTY CHAMBER
(RESIDENTIAL PROPERTY)

Case Reference	:	CHI/OOHY/LSC/2016/0119
Property	:	20 Bedwin Street, Salisbury, Wiltshire, SP1 3UT
Applicant	:	20/20A Bedwin Street (Salisbury) Management Limited
Representative	:	Mr Jack Butterworth of Initiative Property Management Limited (Applicant's managing agents), and Mr William Dickinson of the Applicant.
Respondents	:	The lessees : Anne Pritchard Patricia Osborne Helen Bray William and Judith Dickinson Matthew and Charlotte Andrews Imagine Property Rentals
Representative	:	None, save Mr William Dickinson took part in the inspection
Type of Application	:	Section 27A Landlord and Tenant Act 1985: Liability to pay service charges
Tribunal Member(s)	:	Judge J F Brownhill Mr M Ayres FRICS
Date and venue of Hearing	:	21st June 2017. Inspection of property and paper determination
Date of Decision	:	22nd June 2017

DECISION

1 Where numbers appear in square brackets [] in the body of this decision, they refer to pages of the bundle before the Tribunal.

2 The Applicant applied for a determination of a liability to pay service charges from 2017 to 2019, by an application notice dated 25/11/2016. As a result of a telephone directions hearing on the 08/02/2017, certain issues were identified for determination [101].

3 Of the six Respondent leaseholders, 5 have positively indicated their support for the application to the Tribunal [103-4] and [413][415]. The leaseholder of flat 6 (Imagine Property Rentals Limited) has not contacted the Tribunal at all in response to this application indicating either opposition or consent.

4 By its directions at [106] the Tribunal made provision for any leaseholder who wished to see the further documentation filed in relation to the application to have the opportunity of doing so and also to have the opportunity of taking part in the proceedings by filing submissions/ statements/ documentation in response. The Tribunal were told in the Applicant's statement of case, that none of the leaseholders had requested copies of the documents and nor had they filed any formal response to the application (other than that referred to in paragraph 3 above).

5 As no party had requested an oral hearing, and as envisaged in the directions, the Tribunal conducted a paper determination of the application after the inspection of the property on the 21st June 2017.

Summary of decision

6 In summary the Tribunal concluded:

a. That on the basis of the evidence before it, the Applicant is not entitled to replace 9 wooden framed windows with uPVC alternatives;

b. That the works detailed in schedule appearing at [320] were largely within the ambit of the lease provisions. The Tribunal made comments on the reasonableness of the budgeted costs; and

c. That the Tribunal had no authority or power to authorise a breach in the terms of the lease so that decorative works could be delayed for 4 years beyond the 5 years permitted in the lease.

Inspection

7 The Tribunal had the benefit of inspecting the property on the morning of the 21/06/2017. Mr Dickinson, who is both a member of the Applicant (RTM company) and a leaseholder, showed the Tribunal around various common parts within the property and externally. The Tribunal was rather surprised that Mr Butterworth, the Applicant's managing agent did not attend.

8 The building comprises a purpose built terraced building containing six flats over four floors (with two flats to each of the ground and first floors and two maisonettes to the second and third floors) built in approximately 2002/2003. The front elevation of the building fronts the pavement. There are a number of blue painted wooden bays to the front of the building. There are wooden framed double glazed windows throughout the property. However the third floor elevation at the rear consists largely of glass panels and doors in uPVC frames forming the exterior of the two maisonettes. There is a central staircase running through the building and a dormer window to the roof at the front. At the rear (but not extending the whole length of the building) is a small courtyard with a bike, ladder and bin store area. The communal staircase leads to the third floor and a landing and communal external balcony /fire escape area accessed through glass doors.

9 The Tribunal made the following findings:

a. The windows to the building all appeared to be in good condition at the time of the inspection. There was no flaking paint visible to the windows themselves, and Mr Dickinson was able to confirm that they were **not** in a state of disrepair.

b. The Tribunal were also shown the flat roofs (at the rear of the property) from the third floor balcony/ terrace. These roofs were visibly in need of some maintenance works, a degree of algae/lichen growth could be seen and they were generally worn.

c. The wooden bays on the front external face of the building were observed as beginning to split and these too were clearly in need of maintenance works to the softwood frames and some redecoration.

d. In a number of places around the building the fascias and soffits (both to the front and rear of the property) were noted to be in a state of disrepair, including (but not limited to) bits of paint visibly flaked/flaking away to the area above the dormer window at the front of the building on the third floor (marked at NE503) at [278].

e. The guttering to the rear of the property was said by Mr Dickinson to be in a state of disrepair as a result of 'attack by algae'. There was certainly, in some places, algal growth visible to the guttering. The Tribunal noted that at [135], a building survey report dating from June 2015 described the 'original PVC white guttering to the rear has embrittled and the surface pitted'. That was the same guttering visible during the Tribunal's inspection, and as such was found by the Tribunal to be in a state of disrepair. Other guttering (specifically that above flat 6), as well as the fascias to this elevation, had already been replaced with new uPVC replacements.

f. Also visible during the inspection was a ridge tile at the centre of the roof line which clearly required re-bedding.

g. While Mr Dickinson referred the Tribunal to a missing slate to the roof, this was not visible during the inspection due to the angle of the roof and the fact that the Tribunal were looking at the roof either from the ground floor when considering the front elevation and from the third floor terrace or small courtyard when considering the rear of the roof.

h. The Tribunal were also shown by Mr Dickinson the areas of the verges at the gable ends which were in a state of disrepair with some cracking evident to the pointing and flaking paint to the soffit.

The issues

10 As set out in the Tribunal's directions and in the Applicant's statement of case, the following issues were before the Tribunal for determination:

a. Whether the terms of the lease allow for uPVC replacements of 8 of the windows at the rear of the property (and in relation to which there were significant access problems) as well the dormer window to the front of the property (on the third floor);

b. A determination by the Tribunal as to whether works detailed in the schedule appearing at [320] were within the ambit of the lease provisions and whether the budgeted costs for those works (to be used to set the budget for future service charge years) and as set out at [320] and [321] were reasonable; and

c. A request for a determination by the Tribunal that the aforesaid works can be delayed for 4 years beyond the 5 years permitted in the lease.

A copy of the relevant provisions of the Landlord and Tenant Act 1985 are attached hereto as Appendix A. The Tribunal considered each of the identified issues in turn:

Replacement of 8 windows to the rear elevation and the dormer window

11 The Applicant sought the Tribunal's determination that it was permitted, within the terms of the leases (as varied by the Tribunal's order of 25/10/2013 [84]) to replace:

a. 8 of the existing wooden framed double glazed windows, with uPVC double glazed sash windows at the rear of the property.

i. The Applicant sought permission to replace only 8 of the windows to the rear of the property (3 windows to flat 3, and 3 windows to flat 5 as well as 2 windows to the retained common parts (the staircase)) – and not all the windows to the rear facade. This was because it was these 8 windows which were the ones which the Applicant was having significant difficulty with and was incurring substantial additional costs in relation to redecorating. Mr Dickinson explained to the Tribunal that previously the Applicant had been able to place scaffolding

across a neighbour's flat roof in order to access these 8 windows for redecoration/ maintenance purposes. However the ownership of the neighbouring property had since changed, and glass skylights had been installed in the flat roof. Access was now more restricted and much more problematic for the Applicant. It appeared that it was no longer possible to place the scaffolding required to access the 8 windows on the flat roof. In addition to which, and further compounding the difficulty, beyond the rear boundary of the property was a small private path (over which the Applicants did not have a right of way) and beyond that was a private car park. It appeared that there were now proposals to build on this car park further restricting the means by which the Applicant could bring in and construct scaffolding in order to access these 8 rear windows. Mr Dickinson and the Applicant referred to contractors who have confirmed that they could still manoeuvre in scaffolding over the roof of the property from the road side using a crane but that this would add an additional £500 or so to the cost of the scaffolding.

ii. The other windows to the rear of the property were not be replaced with uPVC (or at all), as these could be reached using conventional means (ladder/ portable scaffolding) placed in the property's own small courtyard at the rear.

b. The dormer window to the third floor at the front of the property,.

i. Mr Dickinson explained that due to the height of this dormer window, there were very significant access problems, and that portable scaffolding was not sufficient to reach the same.

12 The Applicant set out in its statement of case the cost implications of having to continue to erect scaffolding (including potentially, the same being craned over the roof of the property from the front of the building) in order to then carry out the five yearly redecoration works required under the lease provisions, compared to the capital cost of replacing those windows with uPVC windows. The uPVC windows could not only be installed from inside the building (so no scaffolding would be required), but also then required no cyclical decoration. The details of that analysis are not set out here (they are included in the bundle including at [13-6.1.12]). However it is very clear that it is far more cost effective for the 8 windows to the rear of the property to be replaced with uPVC windows than to have to continue paying for redecoration (and the scaffolding required for the same – including the attendant problems arising in this regard) of the existing wooden window frames.

13 To that end therefore the Applicant's proposed solution, of replacing the windows in question in uPVC is an eminently sensible and practical solution to the problem. However, that does not necessarily mean that it is permitted under the terms of the lease (and thus that the costs of the same are recoverable through the service charge).

The Lease:

14 A sample lease appears at [67]. The Tribunal were told that in all material aspects the other leases of the flats within the building are in the same terms. The terms of the leases were varied by the Tribunal on 25/10/2013 [84] under an application pursuant to section 37 of the Landlord and Tenant Act 1987, with the relevant variations appearing at [88][89]. The following are relevant terms of the lease:

a. The First Schedule of the lease defines the extent of the flat demised to each leaseholder [71][88]. In particular included within the demise are "....(c) the internal walls and the internal surfaces ....of the walls bounding the Property the glass in the windows and window frames of the Property." [72]. With the following additional words added "But excluding.....C. The walls (.....) window bay and structures bounding the Property other than the windows and window frames at the Property and....." [88].

b. The Fourth Schedule at paragraph (7) [74] prohibits the leaseholder from painting the outside parts of the window frames doors or balconies.

c. The Fifth Schedule:

   i. at paragraph (3) requires the leaseholder "To keep the Property in a good state of repair and in particular to decorate the interior with appropriate good quality materials in at least every seventh year of the term

   ii. at paragraph (4) requires the leaseholder "To clean the internal and external surfaces of the windows the Property [*sic*] at least once a month."

   iii. [76][88][89] at paragraph 12 that "The leaseholder will pay to the lessors within 14 days of demand
      1. (a) xx% of the expenses and outgoings incurred by the Lessor carrying out its obligations under the Sixth Schedule and any other expenditure incurred by the Lessor in the performance of its obligations under this Lease ..... ".

d. The Sixth Schedule provides [80][89]:

   i. At paragraph (6) the Lessor is obliged "To maintain repair and renew (which expression shall include the addition replacement or repair of any part that has been omitted or is inherently defective, the replacement of existing parts with modern materials which provide reasonable life-cycle cost reduction) as appropriate:

      1. (a) the main structures of the buildings on the Development and in particular the foundations external and load bearing walls and the main beams and timbers thereof including the joists or structural or load bearing members under the floors and balconies;

2. (b) the main roofs of the buildings on the Development including the joists or structural or load bearing members over the ceilings on the top floors thereof and the chimney stacks gutters and rainwater pipes thereof.

3. (c) the Services and Facilities used or enjoyed by the Lessee in common with the Lessor or the occupier of the other flat save that .....

4. (d) All other external parts of the Development

5. (e) All other Retained Parts."

ii. At paragraph (8) of the Sixth Schedule of the lease the Lessor is obliged "At such intervals of no less than three years or more than five years as the Lessor shall reasonably think fit to decorate the exterior of the building (including exterior of the window frames doors and balconies) on the Development ...and the Retained Parts ..... in such reasonable manner as the Lessor shall reasonably think fit."

15 The Applicant sought to argue that it was able, under the terms of the lease to replace the 8 rear windows and one dormer window to the front of the property as, although not currently in a state of disrepair, their replacement with uPVC windows (frames) etc amounts to a renewal which provided a "..reasonable life-cycle cost reduction." [12- 6.1.5].

16 The Tribunal noted the Applicant's reference:

a. at paragraph 6.1.3 of its statement of case that the variations of the lease at para 6 of schedule 6 were added "...to ensure the landlord had the responsibility to manage the replacement cycle of window frames throughout the building. This clause imposed an obligation for the landlord to determine 'when' window frames 'demised' to leaseholders and window frames that are 'common' or 'retained' required replacement to ensure that:
(a) **Window frames which had reached the end of their working life** and could not be cost effectively decorated/renewed would be replaced under the management of the landlord; and ....." (emphasis added)

b. At paragraph 6.1.5 "**Where a window frame demised to a leaseholder has reached the end of is maintainable life** and it cannot be demonstrates that replacing the existing wood window with a modern material would reduce the life-cycle costs the window frame replacement cost would be borne by the leaseholder." (emphasis added).

17 In the Tribunal's view there are two important initial issues which require to be determined:

a. Can the Applicant replace the 6 window frames to flats 3 and 5 even though they have been demised to the leaseholder?

b. If the answer to (a) is yes, in what circumstances does that ability arise, and has it arisen on the current facts?

18 The Tribunal noted the leaseholder is prohibited from painting the external surfaces of the window frames [74] (para 7 of the Fourth Schedule). The Lessor (Applicant) is however obliged not only to paint the exterior of the window frames but also to maintain repair and renew the external surfaces of the window frames (para 6(d) of the Sixth Schedule [80][[89]). The Tribunal found that the external surface of the window frames fell within the ambit of para 6(d) of the Sixth Schedule of the lease, being an 'other external part' of the property. The reference to 'other' in paragraph 6(d), meant an external part not referred to within paragraph 6(a) to (c). It therefore placed an obligation on the Applicant in relation to the maintenance etc. of the external parts of the window frame.

19 The Tribunal also considered that there would come a point when painting the external surface of the wooden frames would not be possible/ sufficient in order to comply with the Applicant's obligations in this regard (– when the wooden was rotten etc). In those circumstances the Applicant would be obliged to take additional steps in order to decorate and to maintain and if appropriate renew that external surface of the wooden window frames. Looking at that practically, it was entirely unrealistic to consider that the Applicant would be able to take action in this regard merely in relation to the external surface of the window frames. With a timber framed window, when the point was reached that the wood was rotten and couldn't be re-painted, one couldn't merely renew the external surface of the frame in isolation from the remainder of the frame – not, in the Tribunal's view, in any meaningful way.

20 While therefore the Tribunal took into account the fact that the window frames had, rather unusually, been explicitly demised to the individual leaseholders, the Tribunal considered that there would come a point when the Applicant was entitled, when fulfilling its obligations under paragraph 6(d) of the Sixth Schedule, to renew the window frames to flats 3 and 6. At that point, such renewal could, in accordance with the terms of paragraph 6 of the Sixth Schedule, include replacement with uPVC windows (being modern materials providing a "reasonable life-cycle cost reduction").

21 Such an approach was, in the Tribunal's view, a sensible and appropriate interpretation of the relevant clauses of the lease, and indeed the lease as a whole. As stated by the Supreme Court in Arnold v Britton [2015] UKSC 36 when interpreting a written contract, the Tribunal has to identify the parties' intention by reference to what a reasonable person having all the relevant background knowledge would understand the term to mean. It has to focus on the meaning of the words in their context and in the light of the natural meaning of the clause; any other relevant provisions; the overall purpose of the clause and the lease; the facts and circumstances known by the parties at the time; and commercial common sense. Subjective evidence of the parties' intentions has to be disregarded.

22 The leaseholder was not entitled to paint the outside surfaces of the window frames, one reason for this could be presumed to be that this would prevent different colours and or types of paints being used on windows – thus ensuring a cohesive facade to the building (front and rear). If the Applicant were to be permitted to renew and replace old wooden window frames with new uPVC ones that would also achieve a cohesive facade, if all the windows were replaced in the same style etc. Having said that though, the Tribunal noted that it was not proposed to replace all of the windows at the rear. There would therefore, if the Application was successful, be a mixed style and type of windows in the property. However, if the Applicant were not to be entitled to replace the window frames when they could no longer be properly painted etc. what would happen? The Applicant could not comply with its obligations under the lease. It might try to compel individual leaseholders to replace the window frames arguing that such fell within paragraph (3) of the Fifth Schedule [75]. However that too was not only cumbersome but would also likely result in a piecemeal approach to the timing and type of window replacement: once again resulting potentially in a non-cohesive facade. Something which in the Tribunal view's other provisions of the lease illustrated that the parties had intended to prevent (for example see paragraph 7 of the Fourth Schedule).

23 Therefore, the Tribunal concluded that in theory the Applicants would be able under the terms of the lease, in certain circumstances, to replace the wooden window frames, both those which had been demised to individual leaseholders and also those which were to the common parts.

24 However, that was not a right which the Applicant had whenever it chose to exercise it. It was a right, which in the Tribunal's view, arose when the windows were in a state of disrepair. The Tribunal specifically considered that the obligation (/right/power) to renew the window frames arose under paragraph 6 of the Sixth Schedule; a paragraph which dealt with the Applicant's repairing obligations. The right/ obligation to renew arose in the context of remedying disrepair or maintaining the external surface of the window frames. It was not a freestanding right to renew if there was no disrepair.

25 The Tribunal noted in particular the comments of Martin Rodger QC in Tedworth North Management Limited, Tedworth Square North Limited v Mr L Miller, Mrs S Ogorodnov, Mrs T Ogorodnov [2016] UKUT 522 (LC), at paragraphs 32-36 in particular that:

"I do not accept the appellants' central submission that the presence of any amount of disrepair, including simply a need for routine periodic redecoration and maintenance, was enough to bring a programme of wholesale window and sub-frame replacement within the repairing covenant. That approach pays little attention to the physical condition of the building components under consideration and relies on too legalistic an analysis of what should be a practical assessment. As the authors of Dilapidations: The Modern Law and Practice explain at paragraph 8-09, in a passage relied on by both parties, an obligation to keep a structure in repair will only come into operation if there has been damage to the structure which requires to be made good. Only those

parts of the structure which are in disrepair are relevant to the consideration of whether there is a requirement for remedial action.

A common-sense approach is required when considering what remedial work is appropriate to remedy a state of disrepair. If the greater part of a roof is in a deteriorated condition, the fact that some areas are undamaged would not of itself prevent complete replacement from being repair; on the other hand, if the only deterioration was localised to a small area and can adequately be dealt with by a localised repair, the whole roof could not be said to be in disrepair such as to require or justify its complete replacement.

In this case such deterioration as existed in the timber sub-frames which remained was remedied at a cost of only £1,266. There was no evidence that the sub-frames which had been replaced were in need of any more extensive repair. It is therefore obvious that the decision to replace the frames and sub-frames was not motivated by their condition, but by the availability of a modern alternative which would provide better insulation against noise and heat loss and lower bills in future because it would not require frequent redecoration. **Replacement may therefore have been justified on economic grounds, especially as a large part of the cost would be met by individual leaseholders, but it was not justified on the grounds that either individually or collectively the windows were in a state of disrepair requiring remedial work.**

The windows clearly required redecoration, but it was not submitted by Mr Harrison that the replacement programme was triggered by the obligation to paint in appropriate colours and in a workmanlike manner all the outside wood iron and cement work of the building usually painted. His submission was that the redecoration required was itself work of repair, and the need for redecoration could be satisfied not by painting the original units, but by replacing them with new units which did not require to be painted. The FTT did not accept that submission and I am satisfied that it was entitled to reject it. Amongst the factors to which it had regard were the nature, extent and cost of the proposed remedial works and it was open to it to conclude that those works were not an appropriate response to the need for redecoration.

The general principle is that the work which the landlord is obliged or entitled to carry out is limited to that which is reasonably required to remedy the defect. This may include ancillary work rendered necessary by the carrying out of repairs. The FTT's decision was based on an expert evaluation of the condition of the windows, and the range of available responses to that condition having regard to the expense which would be incurred or avoided in future depending on the choice made. It is clear from paragraph 92 of its decision that it accepted that window replacement could be an appropriate response to deterioration of any significance, but found that the work required in this case was too trivial to confer on the appellants the right to replace the sub-frames at the collective expense of the leaseholders. In making that evaluation the FTT did not ask the wrong question or misdirect itself, and it is not for this Tribunal to substitute its own view."
(emphasis added).

26 As the Applicant appears to concede in its own statement of case, as referred to at paragraphs 14 and 15 herein, the ability of the Applicant under the lease is to replace the wooden framed windows with uPVC ones when the window frames have reached the "..end of its maintainable life..." or "..the end of their working life...". The power/obligation to renew within paragraph 6 of the 6th Schedule is not a freestanding one, it arises in the context of there being disrepair. It is not a freestanding right to renew things which are not in disrepair just because it is practical or more cost effective.

27 The windows in question here (8 windows to the rear and the dormer window to the front of the property) were very clearly not "..at the end of their working life..". Indeed they were not, the Tribunal find, and Mr Dickinson accepted during the inspection, in disrepair at all. The windows in question seemed to the Tribunal to be in excellent condition. There wasn't even any flaking paint visible to these windows. The power/ right/ obligation to renew the window frames arises only if it is appropriate given the extent of the disrepair. Once it is appropriate to renew the windows frames given the extent of the disrepair, when deciding on what to renew the window frames with (new wooden frames or uPVC), the Applicant can exercise its discretion 'as appropriate' taking into account the 'life cycle costs reduction' of modern materials. The Applicant is not entitled, under the service charge provisions, and without there being any disrepair to the window frames, to merely say it will be cheaper and more effective in the long run to replace the windows with uPVC (as we won't then need to redecorate them) therefore that is what we are going to do now and recover the costs through the service charge.

28 The Tribunal therefore, on the basis of the current evidence before them, find that the Applicants are not entitled to replace the 9 wooden window frames in question with uPVC alternatives under the terms of the lease. However if the windows deteriorate to the extent that they fall into disrepair, depending on the extent of such disrepair, it would be possible for the Applicant to replace the window frames with uPVC alternatives.

29 The Applicant should note that while the Tribunal find that the Applicant is not currently entitled to use the provisions of the lease and consequently the service charge provisions to recover the costs of the replacement windows, that does not mean that the works cannot be achieved by alternative means: for example by agreement between all the members of the Applicant and a consequent cash call through the company's own memorandum / articles of association from its members. This is especially so given that the Applicant urges on the Tribunal that in its view all six leaseholder agree with the proposed course of action.

A consent order?

30 The Tribunal considered the Applicant's suggestion at [8-4.0][14-6.1.15] that the Tribunal could issue 'a consent order' pursuant to Rule 35 of the Tribunal Procedure (First-tier Tribunal) (Property Chamber) Rules 2013/1169 in order to achieve the Applicant's desired outcome.

31 Rule 35 provides:

"(1) The Tribunal **may**, at the request of the **parties** but **only if it considers it appropriate**, make a consent order disposing of the proceedings and making such other appropriate provision as the parties have agreed.
(2) Notwithstanding any other provision of these Rules, the Tribunal need not hold a hearing before making an order under paragraph (1) or provide reasons for the order." (emphasis added).

32 While 5 of 6 leaseholders had agreed to the Application, that was not agreement by all the parties. The silence of the leaseholder of flat 6 cannot be assumed to be consent. It may be just not active opposition. In fact the non-response could be explained by any number of situations which would not amount to consent.

33 There was also no agreed form of order before the Tribunal. In the Tribunal's view, if there was to be a consent order, it was not for the Tribunal to draft its precise terms. Were it to do so it may be that such wording would not reflect the parties agreement. If a consent order was proposed, the Tribunal would expect the parties, **all** the parties, to have signed a previously drafted, agreed and prepared order. That was not the case here. And even in such a case, the Tribunal could refuse to make or authorise such a consent order if it did not consider it appropriate. One factor which would clearly influence such discretion is whether the Tribunal considered that the works in question fell within the terms of the lease. The Tribunal refuses to make a consent order in this case.

A variation of the lease

34 The Applicant's statement of case also suggests that in the alternative the Tribunal make an order varying the terms of the lease in order that the Applicant's desired objective be achieved. The application currently before the Tribunal is one pursuant to section 27A of the Landlord and Tenant Act 1985. There is no current application, properly and appropriately formulated, before the Tribunal pursuant to section 37 of the Landlord and Tenant Act 1987. It is not appropriate to treat one type of application as in fact a different type of application altogether. This is especially the case where, as here, the matter has been listed for a paper determination, and there is no indication by the leaseholders that they agree to this different type of application. The Tribunal also noted that there has been no attempt by the Applicant to formulate the precise variation which it sought in this regard. It is not for the Tribunal to draft a variation to the leases. The Tribunal will not therefore make an order, within this application, pursuant to section 37 of the Landlord and Tenant Act 1987.

Apportionment

35 Alternatively the Applicant also proposed at [14-6.1.16] that the Tribunal "...consider the proposition that the leaseholders of flats 3 and 5 contribute say 25% of the cost of replacing the window frames in their flats". The Tribunal note that the lease specifies specific proportions for the leaseholders to contribute towards the service charge. It is not open to the Tribunal to vary such proportion of contribution in the way suggested by the Applicant. The

Tribunal must consider the terms of the lease. The Tribunal therefore refuses to make an order on this basis as mooted by the Applicant.

36 That is not to say however, and as referred to above, that the parties cannot privately (and outside the provisions of the service charge) agree (perhaps on the basis of the Applicant's memorandum of association) an agreement in relation to the costs of the installation of these 9 uPVC windows. The Tribunal is only looking at whether such works fall within the service charge provisions of the lease and the position in relation to the work in that regard.

Schedule of Works

37 The Tribunal then turned to consider the second issue for its determination, the Schedule of Works at [320][321]. The Tribunal was asked to determine whether the items of work listed were (a) within the ambit of the lessor's obligations and therefore recoverable through the service charge provisions of the lease; and (b) whether the proposed budgeted costs were reasonable.

38 The Applicant had included a number of documents related to a purported section 20 consultation in this regard. The Tribunal considered these and had a number of concerns:

a. At [353] the stage one notice dated 04/03/2016 referred to two different options for carrying out the works: painting or replacing with uPVC. When one turned to the stage 2 notice at [355] there was reference to now obtaining an estimate in respect of 'the works', without identifying which of the two options referred to in the stage one notice was being referred to;

b. Secondly the stage 2 notice referred to three quotes. It was not clear whether the contractors had all been given the same specification of works (presumably the schedule of works at [320], or whether another document had been used as the basis for the quotes).

c. The contractors chosen by the Applicant to tender for the works were:

    i. [357] Advanced Decor, who are Painters and decorators. It was not clear to the Tribunal that their quote was directly comparable with others. There was no breakdown setting out which of the items of work from the schedule were included. It appeared, for example, that they were quoting for painting fascias and soffits and not replacing with uPVC, as per the schedule of works. They made no reference, unsurprisingly given that they were painters and decorators, to the works within schedules B and C [321]. Presumably on the basis that this was outside their field of expertise;

    ii. The document at [359] was not on headed notepaper and it wasn't clear who it was from, though the index seemed to indicate it too was from Advanced Decor –this document referred to the option of replacement with 9 uPVC windows, as discussed earlier in this judgment.

iii. [363] GJ Booth, this again was a quotation seemingly for only some of the works. But as there was no reference to the schedule of works it was not easy to see which works were specifically included. It appears that GJ Booth provide maintenance services.

iv. [365] C.A. Symes are also painters and decorators. There was here some reference to items of work detailed in the Schedule of Works at [320][321]. In particular the items within Schedule B. This is contrary to what is said in the report on the tenders prepared by the Applicant and which appears at [375]. That report, in paragraph 1, wrongly asserts only S.E. Woodtec estimate quote for works within schedule B. It is clear that C.A. Symes did too.

v. And [367] SE Woodtec who state they provide carpentry and property services. This quotation omits items from Schedule C of the works, stating that these items will need to be carried out by the roofing contractor, but otherwise it is a full and clear quotation separating out the estimate in relation to each item of work.

vi. The Tribunal was concerned that the Applicant had not obtained suitable quotes such as to allow for a meaningful comparison. Two of the quotes were from painters and decorators, and given that a degree of the work listed in the schedules went beyond that, it was hardly surprising that only the single carpentry company Woodtec had provided a full quote in relation to this.

39 Aside from those concerns about the section 20 consultation, the Tribunal makes no further comment in relation to the same, no issue has been taken with the section 20 consultation by any of the leaseholders. The Tribunal went onto consider each of the items listed in the Schedules in turn:

40 Schedule A [320].

a. Items C1a and C1B. The Tribunal were informed by Mr Dickinson that these works related to 10 windows at the front of the building (not including the Dormer window), which it was proposed would not be replaced with uPVC and that therefore would require cyclical redecoration etc.

i. The Tribunal found that these works fell within the ambit of the landlord's obligation pursuant to Schedule 6 paragraph 6(d) and/or (8). The Tribunal heard that the ground floor front windows were last redecorated in 2014, and so would not come up for redecoration again until approximately 2019. The windows on the first floor and above however had last been decorated in 2009, and so these windows were now over due for their cyclical redecoration. It was clear that the paint work to these windows on the first floor and above were in slightly poorer condition, however they still appeared, from what the Tribunal could see, to be in a good decorative state.

ii. The costs for the items listed in the Applicant's schedule have been taken from the SE Woodtech quotation, and amount to some £1,350 + £450 = £1,800. Because of the way that the other quotations are presented, and the fact that contractors have not been asked to provide a breakdown of their quotations as itemised as against a schedule of works it is not possible to compare the quotes against each other: it is not clear that to compare the quotations is to compare like with like.

iii. The Tribunal noted the Applicant had obtained a report from a MRICS surveyor in October 2015 [213], and that he had provided a detailed breakdown of the likely estimates of certain items of works. He did not however address this item of work, and so provided no estimated figure (which the Tribunal could easily identify) in relation to these items.

iv. The Advanced Decor quotation was expressed to be in respect of 27 windows at the front and 20 windows at the back. Therefore it was of little assistance in assessing the cost of the works in question for 10 windows to the front of the property. And the other quotations did not clearly provide, that the Tribunal could see, a price for these works.

v. The Tribunal considered that, as the Applicant had effectively only obtained one quotation which gave information as to the relevant cost, the Tribunal was concerned that this figure might not be reasonable or indeed realistic. It had not, in the Tribunal's view, been checked against any other directly comparable quotations. The way the other quotations were presented prevented a direct comparison being made.

vi. The Tribunal considered the schedule from 2013 at [335] which in relation to item 49 referred to a price of £4,299 being agreed between the then parties as a reasonable cost for external redecoration of windows and doors. It appeared that this figure had been adopted on the basis of previous works in 2009 and adapted to take into account that the fascias and soffits were not included within that price. It was hardly therefore a useful estimation of what the cost of decorating 10 windows would be in 2019-2020.

vii. However, having said that, and considering that the Applicant was seeking a determination of reasonableness for a budget, the Tribunal considered, with some hesitation, that the amounts detailed in the Applicant's current schedule at [320] for items C1a and C1b were, in this context, reasonable and were supported by one quotation. The Applicant should however be prepared to deal with the situation if the final price for this item is different from the budgeted price.

b. Items C2 and C3. The Tribunal were told these works related to the blue bays at the front of the building. The refurbishment works, were

said by Mr Dickinson, limited to stripping off the soft wood perimeters of the bays which were visibly in a state of disrepair (leaving the ply wood elements of the bays) and replacing the perimeter in treated soft wood, then redecorating.

i. The Tribunal found that these works fell within the ambit of the landlord's obligation pursuant to Schedule 6 paragraph 6(d). As a result of their inspection the Tribunal agreed with Mr Dickinson that the blue bays were in need of repair works and redecoration.

ii. The surveyor's report does not provide an estimated cost for this work. His report refers to replacement of the blue bays [229] as opposed to repairing/refurbishing the existing bays.

iii. The Advanced Deco quotation at [357] refers to decorating the bays as £495 + vat, but does not appear to include any refurbishment element;

iv. The only other quotation which explicitly referred to these items was the SE Woodtec report which at [373] referred to £1,535 as the cost of refurbishment. The SE Woodtec quote states at [372] that provision has been allowed for painting, but no specific figure was obvious. The Schedule of works refers to the cost of these two items as £1,890 + £1,535 = £3,425. It is not clear where the £1,890 figure has come from.

v. The Tribunal noted that in the 2013 Schedule at [337] £1,574 in total had been agreed between the then parties for the refurbishment and painting of the blue bays.

vi. The Tribunal have no further information or other quotation to compare these costs against.

vii. On the basis of the information currently before it, the Tribunal were concerned about the accuracy of the budgeted figures in this regard. However, on the basis of the Woodtech quotation, the Tribunal considered, albeit with some hesitation, that the budgeted figure for item C3 of £1,535 was reasonable (being supported by a quotation from Woodtech). However, the figure given for item C2 of £1,890 could not be confirmed as reasonable, being, so far as the Tribunal could see, unsupported by a quotation.

c. Items Ha and Hb, relate to the dormer window on the third floor. Item Ha, (replacement of the window with a uPVC alternative) has already been discussed above in relation to the Applicant's request to replace 9 windows. The Tribunal will not repeat its findings here. It is of note that the schedule refers to windows in relation to item Ha. Having referred to [277] it is clear that it is the one Dormer window which is being referred to.

i. In relation to item Hb, replacing the fascias and soffits to the Dormer window with uPVC alternative the Tribunal found that this was within the ambit of the landlord's obligation pursuant to Schedule 6 paragraph 6(d).

ii. Moreover, the Tribunal considered there was disrepair to such fascias and soffits visible during the inspection, such as to warrant the replacement/renewal of the same with uPVC materials.

iii. In looking at the cost attributed to item Hb of £385 in the schedule at [320], the Tribunal noted that this figure came from the SE Woodtech quote at [367]. None of the other quotations supplied by the Applicant gave a sufficient breakdown in order to allow a comparison of prices for this item of work.

iv. The Surveyor's report from October 2015 appeared to deal with replacement of fascias and soffits with uPVC at [238] in general terms or as part of the replacement dormer window works (but not with a separate identified cost) [220]. But having spent a considerable amount of time searching through the bundle in an attempt to try to find other supporting evidence, the Tribunal could not see that the surveyor had identified this item cost separately.

v. The Surveyor's estimated costs at [239][221] appeared to amount to £6,410 in relation to all the remaining soffits and fascias being replaced with uPVC. The Applicant's schedule (items Hb; Ka; Kb; Kc; Ke; Kf; and Kg) in total amounted to £6,800.24.

vi. On the basis that the Applicant's have a quotation within £400 of the surveyor's estimate for these works, the Tribunal considered that for the purposes of setting a budget, the costs for the aforesaid items (Hb; Ka; Kb; Kc; Ke; Kf; and Kg) were reasonable.

d. Items Ka; Kb; Kc; Ke; Kf; Kg all referred to fascias and soffits, including at the gable end and to the front and rear of the property.

i. The Tribunal considered that these works were within the ambit of the of the landlord's obligation pursuant to Schedule 6 paragraphs 6(b) and/or 6(d). On its inspection the Tribunal were satisfied that there appeared to be disrepair evident to a number of areas of the existing wooden fascias and soffits at the property, and that such was sufficiently extensive to merit the replacement/ renewal of such fascia and soffits with modern uPVC equivalent.

ii. See paragraph 40(c) (v) and (vi) above.

e. Item Kd referred to removing and refitting guttering on the north (front) face of the building. Mr Dickinson helpfully confirmed that it

was not proposed that the guttering on the north face required replacing. He described this guttering as aluminium, and explained that this item of work referred to the need to remove the guttering so that the other work to the fascias and soffits could be carried out, and that the guttering would then be restored to its previous position.

i. The figure cited in the schedule [320] in relation to this item is £325. This has come from the SE Woodtech quotation at [369], where it is remarked that no provision was made for this cost in the works specification so the contractor has sensibly added it in.

ii. The surveyor's report at [238] [239] appears to cost this item (remove guttering, fascia, soffits and rosewood cladding) as £560 per quadrant. The Schedule refers to this item as relating only to the north face of the building [320]. Presumably therefore including two quadrants (north east and north west), therefore the surveyors estimated cost would appear to be £1,120 + vat.

iii. The Tribunal considered these figures and using its expertise it considered that the figure detailed in the schedule at [320] for this item as £325 was too low. The Tribunal found that, in line with the surveyor's report, a reasonable amount to include within the budget for this item be £1,120 + vat.

f. Items La; Lb and Lc. These items relate to the rainwater goods to the rear of the property.

i. The Tribunal noted the comments at [135], dating from June 2015, in the building survey report that "The original PVC white guttering at the rear has embrittled and the surface pitted. Gutters have already been partially renewed above flat 6 and through the third floor veranda."

ii. Mr Dickinson told the Tribunal during the inspection that the old gutters had been attacked by algae and were now in state of disrepair. He also stated that they were also too shallow to cope with heavy rainfall and thus overflowed. He pointed the Tribunal to the guttering which had already been replaced above flat 6, including the greater depth of the same.

iii. The Tribunal were satisfied that on the evidence before it that these works were within the ambit of the landlord's obligation pursuant to Schedule 6 paragraphs 6(b) and/or 6(d). The Tribunal were also satisfied that on the balance of probabilities, that there was likely to be disrepair to the rainwater goods at the rear and that this was sufficiently extensive to merit the replacement/ renewal of such as contended for by the Applicant.

iv. The surveyor refers to the estimated costs of these items in his report at [221-L]. He refers only to the rainwater goods to the

rear of the building (as does the specification of works) and estimates a price of £1550.

v. The Schedule of works gives a budgetary figure of £565+ 565+ 195 = £1,325. These figures come from the SE Woodtec quotation at [370][371].

vi. Given the evidence before the Tribunal it concluded that these costs were reasonable for the purposes of setting a budget for the works.

g. Items Za and Zb. This related to the costs of scaffolding required to carry out the works detailed above to both the front and rear of the property.

i. The Tribunal were satisfied that scaffolding would be needed in order to carry out the works which were required under the terms of the lease, and that therefore the scaffolding costs were a cost falling within paragraph 6 and/or 8 of the Sixth Schedule.

ii. There were two quotations in relation to these items. One was from SE Woodtec [367] £3,600 (the front elevation) and at [370] the same sum in relation to the rear elevation. Those figures were expressed in terms of "allow an estimated sum of ..". The other quotation for this item was from C.A. Symes [365] and referred to a figure of £6995 + vat (£8,394). It was not clear to the Tribunal if this was a price for the provision of scaffolding to one or both sides of the building (if to both sides and the breakdown was equally split between the two side, the cost would be £4,197 each side).

1. It seemed unlikely to the Tribunal that the cost of scaffolding would be the same for both sides of the building. Given what the Tribunal have been told about the difficulty in constructing the scaffolding to the rear of the building in an acceptable way, it did not seem sensible to merely use the same figure as that estimated for the provision of scaffolding at the front where there was far less difficulty.

2. It was not clear to the Tribunal whether SE Woodtec were intending to subcontract out the scaffolding, and on what basis their figure had been arrived at.

iii. The Tribunal noted in the 2013 schedule [339] a figure of £5,158 (being a 2012 price) was agreed in relation to erection of scaffolding re the front and rear gables.

iv. The Tribunal noted that two quotes for the provision of scaffolding amounted to £6995 + vat = £8,394 compared to £3,600 x 2= £7,200. The Tribunal were concerned, given the difficulties emphasised by the Applicant in its statement of case of erecting scaffolding to the rear elevation, that these

quotations were too low. However, for the purpose of preparing a budget, the Tribunal considered that the costs of £7,200 could be used in the budget, but that a contingency should also be factored into the budget to reflect the possibility that this amount was too low. The Tribunal considered that potentially an additional £3,000 should be budgeted as a contingency in this regard.

h. To each of the costs within the Schedule (indeed to all the costs within all three schedules) an additional 2% has been charged to reflect likely inflationary increases, given the delay before works are actually undertaken (2019/2020) after budget is set. The Tribunal concluded that this was a sensible and reasonable approach.

41 Schedule B [321]

a. Item Q referred to the costs of carrying out cyclical maintenance to the flat roof to the rear of the property. It was clear from the inspection that this was required, and indeed formed part of a sensible cyclical maintenance programme.

    i. The Tribunal found that this item was within the ambit of the of the landlord's obligation pursuant to Schedule 6 paragraphs 6(b), and/or 6(d) of the lease.

b. Item D2 referred to the balustrade to the third floor terrace. This consisted of mixed metal and wood. The Tribunal's inspection showed that rust spots were evident to the metal elements of the balustrade and that repainting and maintenance was also required to the wooden elements of the same. An image of the balustrade to the terrace (a communal area) is visible at [191].

    i. The Tribunal found that this item was within the ambit of the landlord's obligation pursuant to Schedule 6 paragraphs 6(c) and 6(d) of the lease

c. The budgeted costs which the Applicant wishes the Tribunal to consider as reasonable for these two items are listed as £495 + £465 = £960+ 2% inflation = £1,018.76. These costs are contained in the SE Woodtech quote at [372], and amount to £960 (no VAT is being charged [374]). The Tribunal noted the Symes quotation at [365] also quotes for these two items in the sum of £650 and £150 + VAT = £960. Neither of the two other companies who were approached for quotations appear to have quoted for these works. However given the presentation of the quotes this is not entirely clear.

    i. The Tribunal find that £960 is a reasonable budgetary cost for these works plus 2% inflation.

42 Schedule C [321]

a. Items E, J and F all relate to the works required to the roof.

i. The Tribunal was satisfied both on what it saw, and the contents of the June 2015 building survey at [131-2.02] that the works as listed were required, and further that they fell within the ambit of the Landlord's obligation pursuant to Schedule 6 paragraph 6(b) of the lease.

ii. None of the contractors approached appear to have provided a quotation for the works within Schedule C. That is presumably on the basis that the works are roof works, and a roofing contractor doesn't appear to have been approached.

iii. When considering the reasonableness of the figures detailed in the Applicant's schedule, the Tribunal assumed that the scaffolding would already be in place and so did not need to be separately costed in relation to these items.

iv. The Applicant seeks to rely on the RICs surveyors' estimation of costs (from October 2015) as giving a reasonable figure for a budget for these works.

    1. The Surveyor refers at [219][231] to £160 as an estimated cost for replacing the missing tile. This is the figure sought by the Applicant within schedule C items E [321].

        a. The Tribunal noted in 2013 it had considered this item but save for observing that the Applicant's then suggested price was excessive had not determined a specific price as reasonable [343].

    2. The cost of the repairs to the verges at the gable ends and mid roof are listed by the Applicant as £1,110 [321]. This appears again to come from the surveyor's report at [221-J][237]

    3. [219] Also refers to the cost of re-seating the ridge tile as £160. The figure sought by the Applicant is however £165 in relation to this item. It is not clear why an additional £5 has been added.

        a. The Tribunal noted that in the 2013 schedule [344] it had found that £215 was reasonable in relation to re-fixing the whole line of ridge tiles.

    4. The Tribunal were concerned about using a surveyor's estimate (especially one from October 2015, in relation to works scheduled for 2019/2020) which was untested by approaching specialist contractors. It should also be noted that the surveyor's figures exclude VAT [217]. However, on the basis that the Tribunal is being asked to look at budgeted costs, the Tribunal considered those specified by the Applicant in Schedule C were reasonable.

5. It was clear that by adding in a sum in respect of 2% inflation, there was also an attempt by the Applicant to minimise the risk of an increase because of the delay between setting the budget and carrying out the works.

43 Finally the Tribunal would emphasise that these costs are only being considered in the context of being 'budgeted costs'. It is of course open to a leaseholder to challenge an actual figure (within a section 27A application to the Tribunal) in relation to the works once the actual costs of the relevant works are known. The Applicant needs to be prepared for the actual costs to potentially differ from the budgeted figure and it would seem sensible to factor into the budget a contingency sum to cover such an eventuality.

The Tribunal's authority to authorise the delay in works

44 Finally the Applicant sought the Tribunal's authority to delay the works detailed above "...for four years beyond the five year term specified in the lease" [19-6.4.2] so that the Applicant could have time to raise the required level of funds through the service charge from the leaseholders.

45 The Applicant sought to argue that the Tribunal was able to authorise this delay either pursuant to Rule 35 by making a 'consent order' and/or by seeking what it described as a 'temporary' variation to the lease either pursuant to a consent order or section 37 of the Landlord and Tenant Act 1987.

46 The Tribunal finds that it has no power to make any such order to, in effect, authorise a breach in the terms of the lease. The Tribunal repeats its comments above in relation to the use of consent orders, and why the Tribunal consider it inappropriate to make a consent order in this case, and in any event the Tribunal's view that such an order in this regard would be beyond the scope (or ultra vires) its statutorily limited jurisdiction.

47 The Tribunal further finds there is no legal basis or power on which it could 'temporarily' vary the terms of the lease, so as to authorise or permit such a breach of covenant. Further and in any event, the Tribunal repeats its comments above about the use of section 37 of the 1987 Act in this context.

48 The Tribunal finds that it has no power to make the order sought by the Applicant in this regard.

Conclusions

49 In accordance with its reasoning, as set out above, the Tribunal finds:

a. The Tribunal did not consider that given the current condition of the windows, that the terms of the lease allowed the Applicant to replace the 9 wooden window frames in question with uPVC window frames;

b. In relation to the schedule of works and budgeted costs, the Tribunal refers to the Schedule attached as Appendix 2 and the figures found to be reasonable; and

c. That the Tribunal has no authority or power to authorise a breach in the terms of the lease so that decorative works can be delayed for 4 years beyond the 5 years permitted in the lease.

Appeals

50 A person wishing to appeal this decision to the Upper Tribunal (Lands Chamber) must seek permission to do so by making written application to the First-tier Tribunal at the Regional office which has been dealing with the case.

51 The application must arrive at the Tribunal within 28 days after the Tribunal sends to the person making the application written reasons for the decision.

52 If the person wishing to appeal does not comply with the 28-day time limit, the person shall include with the application for permission to appeal a request for an extension of time and the reason for not complying with the 28-day time limit; the Tribunal will then decide whether to extend time or not to allow the application for permission to appeal to proceed.

53 The application for permission to appeal must identify the decision of the Tribunal to which it relates, state the grounds of appeal, and state the result the party making the application is seeking.

Appendix A

Landlord and Tenant Act 1985

Section 18 Meaning of "service charge" and "relevant costs".

(1) In the following provisions of this Act "service charge" means an amount payable by a tenant of a 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 Limitation of service charges: reasonableness.

(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 provision 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.

.....

(5) If a person takes any proceedings in the High Court in pursuance of any of the provisions of this Act relating to service charges and he could have taken those proceedings in the county court, he shall not be entitled to recover any costs.]

Section 27A Liability to pay service charges: jurisdiction

(1) An application may be made to an 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.

(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 of an application under subsection (1) or (3).

(7) The jurisdiction conferred on the appropriate tribunal in respect of any matter by virtue of this section is in addition to any jurisdiction of a court in respect of the matter.]

Appendix B

Budgeted cost of works detailed in the schedules at [320][321]

Job ID	Budgeted Cost claimed £	Budgeted cost determined as reasonable £
Schedule A [320]		
C1a	1,350	1350
C1b	450	450
C2	1,890	The Tribunal were unable to determine whether this was a reasonable amount on the evidence before it.
C3	1,535	1,535
Ha	2,189.28	Nil
Hb	385	385
Ka	485	485
Kb	1,480	1,480
Kc	1,480	1,480
Kd	325	1120 + vat.
Ke	990.08	990.08
Kf	990.08	990.08
Kg	990.08	990.08
La	565	565
Lb	565	565
Lc	195	195
Za	3,600	3,600
Zb	3,600	3,600
The Tribunal considered that a contingency in the sum of £3,000 should be factored into the budget in relation to the scaffolding costs	-	3,000
Schedule B [321]		
Q	495	495
D2	465	465
Schedule C [321]		
E	160	160
J	1,110	1,110
F	165	165

All budgeted costs to be subject to a 2% inflationary charge to take account in the delay between setting the budget and the anticipated carrying out of the works (2019/2020).