FIRST-TIER TRIBUNAL
PROPERTY CHAMBER
(RESIDENTIAL PROPERTY)

Case Reference	**:**	HAV/43UK/LVT/2024/0602
Property	**:**	Flat C, Belle Ile, 84 Harestone Hill, Caterham, Surrey, CR3 6DN
Applicant	**:**	Belle Ile Caterham Limited
Representative	**:**	Mr J Fieldsend, counsel, instructed by Comptons Solicitors
Respondent	**:**	Yvonne Mallier
Representative	**:**	Mr M Walker, counsel, instructed by Commonhold and Leasehold Experts Ltd
Type of Application	**:**	Lease variations pursuant to sections 35 and 37 of the Landlord and Tenant Act 1987
Tribunal Member(s)	**:**	Regional Judge Whitney Mr B Bourne MRICS Ms T Wong
Date of Decision	**:**	8 April 2026

DECISION

Background

1. The Applicant seeks a variation of the lease of Flat C of the Property pursuant to sections 35 and 37 of the Landlord and Tenant Act 1987.

2. The Property is a large Victorian house, converted into six flats. The Applicant says that its director, Graham Stowell, owns the other five flats.

3. The Applicant is the Respondent's landlord.

4. The Respondent is the leaseholder of Flat C of the Property, pursuant to a lease dated 5 May 1961 (as varied on 22 July 2005 and 14 September 2005) for a term of 99 years from 17 January 1961. The has been extended by a deed of variation to 999 years from 1 September 2005

5. Various sets of directions were issued including listing the matter for an oral hearing. The initial hearing took place on 19th September 2025. At the conclusion of the hearing the Tribunal issued various directions as set out below. The Tribunal was then unable to reconvene until 8 January 2026 and this decision has then been prepared and issued.

6. The parties substantially complied with the directions and the Tribunal was provided with a bundle of 414 pdf pages and references in [ ] are to pages within that bundle.

The Law

7. The relevant law was set out in Section 35 of the Landlord and Tenant Act 1987 ("the 1987 Act"):

"Application by party to lease for variation of lease.

(1)Any party to a long lease of a flat may make an application to the appropriate tribunal for an order varying the lease in such manner as is specified in the application.

(2)The grounds on which any such application may be made are that the lease fails to make satisfactory provision with respect to one or more of the following matters, namely—

(a)the repair or maintenance of—

(i)the flat in question, or

(ii)the building containing the flat, or

(iii)any land or building which is let to the tenant under the lease or in respect of which rights are conferred on him under it;

(b)the insurance of the building containing the flat or of any such land or building as is mentioned in paragraph (a)(iii);

(c)the repair or maintenance of any installations (whether they are in the same building as the flat or not) which are reasonably necessary to ensure that occupiers of the flat enjoy a reasonable standard of accommodation;

(d)the provision or maintenance of any services which are reasonably necessary to ensure that occupiers of the flat enjoy a reasonable standard of accommodation (whether they are services connected with any such installations or not, and whether they are services provided for the benefit of those occupiers or services provided for the benefit of the occupiers of a number of flats including that flat);

(e)the recovery by one party to the lease from another party to it of expenditure incurred or to be incurred by him, or on his behalf, for the benefit of that other party or of a number of persons who include that other party;

(f)the computation of a service charge payable under the lease.

(g)such other matters as may be prescribed by regulations made by the Secretary of State.

(3)For the purposes of subsection (2)(c) and (d) the factors for determining, in relation to the occupiers of a flat, what is a reasonable standard of accommodation may include—

(a)factors relating to the safety and security of the flat and its occupiers and of any common parts of the building containing the flat; and

(b)other factors relating to the condition of any such common parts.

(3A)For the purposes of subsection (2)(e) the factors for determining, in relation to a service charge payable under a lease, whether the lease makes satisfactory provision include whether it makes provision for an amount to be payable (by way of interest or otherwise) in respect of a failure to pay the service charge by the due date.

(4)For the purposes of subsection (2)(f) a lease fails to make satisfactory provision with respect to the computation of a service charge payable under it if—

(a)it provides for any such charge to be a proportion of expenditure incurred, or to be incurred, by or on behalf of the landlord or a superior landlord; and

(b)other tenants of the landlord are also liable under their leases to pay by way of service charges proportions of any such expenditure; and

(c)the aggregate of the amounts that would, in any particular case, be payable by reference to the proportions referred to in paragraphs (a) and (b) would either exceed or be less than the whole of any such expenditure.

(5)Procedure regulations under Schedule 12 to the Commonhold and Leasehold Reform Act 2002 and Tribunal Procedure Rules shall make provision—

(a)for requiring notice of any application under this Part to be served by the person making the application, and by any respondent to the application, on any person who the applicant, or (as the case may be) the respondent, knows or has reason to believe is likely to be affected by any variation specified in the application, and

(b)for enabling persons served with any such notice to be joined as parties to the proceedings.

(6)For the purposes of this Part a long lease shall not be regarded as a long lease of a flat if—

(a)the demised premises consist of or include three or more flats contained in the same building; or

(b)the lease constitutes a tenancy to which Part II of the Landlord and Tenant Act 1954 applies.

(8)In this section "service charge" has the meaning given by section 18(1) of the 1985 Act.

(9)For the purposes of this section and sections 36 to 39, "appropriate tribunal" means—

(a)if one or more of the long leases concerned relates to property in England, the First-tier Tribunal or, where determined by or under Tribunal Procedure Rules, the Upper Tribunal; and

(b)if one or more of the long leases concerned relates to property in Wales, a leasehold valuation tribunal."

Hearing on 19 September 2025

8. The hearing took place at Havant Justice Centre on 19 September 2025. Mr Fieldsend represented the Applicant and Mr Walker the Respondent. Both had prepared and supplied skeleton arguments in advance of the hearing.

9. We set out below a precis of what took place and the hearing was recorded.

10. Mr Fieldsend submitted his client is seeking a variation pursuant to Section 35(2) of the 1987 Act. He suggests this is on the basis of the circumstances as they now exist.

11. He sets out that the Applicant acquired the freehold following a collective enfranchisement. The Respondent is not a member of the Applicant as the owner at the time of the enfranchisement was not a participant.

12. Mr Fieldsend relies upon *Eastern Pyramid Group Corporation SA v Spire House Rtm Company Ltd [2025] UKUT 292 (LC)* which confirmed the decision in *56 Westbourne Terrace RTM Co Ltd v Polturak [2025] UKUT 88 (LC).*

13. He says that the test is set out in his skeleton. The test being whether or not there is satisfactory provision. Various factors are to be considered including he submitted the lack of fund is a relevant consideration. He referred to the question of substantial prejudice and adequacy of compensation. Mr Fieldsend suggests the Respondent has not made any case re compensation.

14. Mr Fieldsend suggests there is no evidence of the effect a variation would have on the value, in his submission this could be measurable as a valuation exercise. The Respondent wants to look back in time and negligible weight should be afforded to this.

15. Mr Fieldsend called Mr Stowell. He confirmed his two statements within the bundle [137-142] & [378-389] are true.

16. Mr Walker had no questions. The Tribunal had no questions.

17. Mr Walker called Ms Mallier. She confirmed her witness statement [299-306] was true. She was cross examined by Mr Fieldsend.

18. She confirmed she inherited the flat from her Uncle upon his death in 2015.

19. She explained that her statement at paragraph 10 [301] was how she considered the lease to work. She was willing to contribute towards costs, she stated she was responsible for 1/6th of the costs.

20. Ms Mallier stated she had not seen the plan for phased works. She suggested that Mr Stowell made her life a living hell. She considered the lease terms would be workable if she and Mr Stowell could work together.

21. She stated that the executors paid the service charge because they were hoping to sell. As a gesture of goodwill she paid as it took time for her to get legal advice.

22. Ms Mallier considers if the lease is varied she will have no voice. She believes that it would devalue her flat. She would lose control over what is done and by whom. In her opinion the set up of the leases would no longer be a de facto commonhold. A large and rising service charge would not be attractive.

23. Ms Mallier agreed there was much outstanding work required. She stated Mr Stowell had told her if she does work on other parts of the building this will be trespass. She is living in a semi derelict property. She has doubts work will be done. Works should be done jointly and the proposed variation is unfair and immoral.

24. Currently there is no service charge and the arrangement is a de facto commonhold. She suggests previous buyers put off by Mr Stowell stepping in and saying there were problems. She stated that no person in their right mind would currently wish to purchase the flat.

25. On being questioned by the Tribunal Ms Mallier stated she did not believe works would be done, there would be endless litigation. She is happy to contribute if her works are done.

26. Mr Walker made his submissions.

27. He suggests the Application is the author of his own misfortune. He accepts we have to look at the position today but the chronology is in his opinion a relevant factor. Mr Walker submits we need to look at whether the current arrangement fails to make satisfactory provision. He suggested within his submissions that whilst the terms are not ideal they are not in his submission unsatisfactory. Simply because the mechanism within the leases is not common does not make it unsatisfactory. He believes we are here today due to the lease variations granted to the other 5 leases in 2012 and 2013.

28. He suggests the other 5 leasehold interests could pay an interim amount and reserve and then simply recover any other monies from the Respondent in arrears. He suggests the suggestion the Applicant cannot raise funds is a red herring.

29. Currently there has to be a liaison between the parties but if the lease is varied that will be lost. He submits this cannot be compensated by money as his client wants a “voice”. Those who are members of the company have a voice.

30. He submits if we are to agree a variation we should issue directions for a further hearing as to any compensation. He suggests there would be an imbalance of power if granted but accepts that we have the power to vary.

31. Mr Fieldsend in reply suggests his case is supported by Mr Stovell's evidence which was unchallenged. Mr Stovell had acted for his father in the previous Tribunal proceedings in 2005 [56]. Subsequently a collective enfranchisement took place and repairs and maintenance was delegated to the Belle Ile Leaseholders Association ("BILA") The evidence does not support that this was working. The current situation requires ongoing co-operation to work. The passage of time can lead to practical issues. This is not a case where there was a commonhold or even that the Respondent's flat had a share of the freehold.

32. Mr Fieldsend pointed out that whilst the landlord may be able to step in and undertake works they are not required to do so and can only recover costs in arrears. Currently the service charges operate at 5/6th of the total expenditure.

33. He suggests there was no evidence of value. He suggests it is obvious the changes will have a positive effect on the saleability of the Property. A proper service charge mechanism with a reserve fund will make the same more attractive.

34. He submits there is a fundamental problem. The Applicant tried to operate the old scheme and proceed relying on the deed of covenant but when unenforceable nothing further could do but make this application.

35. At conclusion of the submissions the Tribunal gave oral directions for comments upon the proposed deed of variation and said thereafter it would reconvene and make its determination. The directions made were that the Applicants would supply the proposed deed within a fortnight, within a fortnight thereafter the Respondents would respond and a fortnight after this the Applicants may file a reply.

Decision

36. We thank both counsel for their submissions and skeleton arguments. We have considered the same and the cases referred to in detail. Equally we have considered the totality of the evidence given and the documents within the bundle. Simply because we do not explicitly refer to the same does not mean we have not considered the same. We apologise for the delay in promulgation of this decision due to issues reconvening and then with the members diaries to finalise the decision.

37. It was clear there was a degree of animosity between Ms Mallier and Mr Stowell. This appears to originate as a result of the relations Mr Stowell and his father had with Ms Mallier's Uncle and his wife. We would urge the parties to put whatever animosity they have behind them. All have substantial interests in the building and both

acknowledged not insubstantial expenditure is required. It is plain to us as a Tribunal having considered the photographs that much work is required which will require all 6 leaseholders to spend not insubstantial sums.

38. We make clear in making this determination we consider only those matters raised with us at the final hearing. By this point various elements originally referred to for variation were not being pursued by the Applicant before us.

39. The original leases for all 6 flats were said to have been granted in or about 1961. The lease of Flat C is at [38-50]. Clause 1(7) [40] provides that the leaseholder is to jointly with the other leaseholders keep the premises in repair and maintained. Clause 1(12) [41] allows the freeholder to step in and undertake works and recover 1/6th of the cost from each of the flats but they are not obliged to do so.

40. As a result of this arrangement all of the original leaseholders (but not the freeholder) entered into a deed of covenant [51-55] by which they all agreed effectively to work together to repair and maintain.

41. Ms Mallier suggests this situation had worked. On the face of the evidence we had it must have done for many years but certainly by 2005 when the Tribunal intervened it was not working completely satisfactorily.

42. On 22 July 2005 there was a surrender and re-grant effectively only extending the term of the lease. There was a deed of variation entered into on 14 September 2005 which we understand is disputed but it was accepted is not a matter for us. Effectively the terms we were to consider were those contained within the original 1961 lease.

43. At the date of the new lease referred to above the freehold was owned by Nancy Mallier and the leasehold by Nancy Mallier and Paul Mallier. Paul Mallier is the current Respondent's Uncle and from whom she inherited the flat.

44. On 21 April 2011 by way of collective enfranchisement the then 5 other leaseholders acquired the freehold. Subsequently each of the 5 participating leaseholders entered into new leases with the Applicant. Copies were in the bundle. These included a service charge mechanism whereby each contributes 1/6th of the cost and the landlord covenants to repair and maintain the building.

45. Three of five new leases were granted to Mr Stowell. Subsequently he has acquired two other flats. As a result he is the sole member of the Applicant company. Ms Mallier now owns Flat C but has no interest in the freehold.

46. It is clear from the photographs within the bundle [335-352] that the part of Belle Ile in which Ms Mallier's flat is situated is in a state of

disrepair. Not inconsiderable works are plainly required from any view of these photographs.

47. We note Mr Stowells evidence was not challenged. We did hear from Ms Mallier. Ms Mallier appeared to this Tribunal to be fixed in her view that the existing mechanism would work, this seems to be a view she inherited from her Aunt and Uncle. It was plain to this Tribunal that her view was fixed.

48. We can see from the unchallenged evidence of Mr Stowell that the circumstances relating to the running of the building as a whole have deteriorated over many years. We were shown a transcript of previous County Court proceedings. It is against that background we must assess whether or not a variation should be granted.

49. We accept the point made on behalf of the Respondent that the varying of the other 5 leases in or about 2013 has partly resulted in the original arrangement not working. However we accept the submission of Mr Fieldsend that we are required to look at matters as they exist at the date of hearing. It is against this we must consider whether or not the "gateway" to a variation is met.

50. We are satisfied that the gateway is met. The current leasing scheme does in our judgment fail to provide a satisfactory scheme for the repair and maintenance of the Property. This was apparent from Mr Stowell's unchallenged evidence and the unhappy history we heard in the evidence of Ms Mallier. It was plain from the evidence and we find that the current mechanisms does not work for any of the parties. The Property and building as a whole is crying out for a party to be responsible for the management and to undertake a proper programme of repair and maintenance.

51. It was acknowledged by the previous Tribunal that the leasehold scheme placed no responsibility upon the landlord. The original leaseholders could collectively agree to undertake works but as the Judge in the more recent County Court proceedings found the deed of covenant entered into by the original leaseholders effectively was no longer of any effect.

52. Taking account of all these facts (most of which are undisputed) we are satisfied that the gateway is met.

53. We have considered the question of prejudice and in particular those points raised in paragraph 20 of the Respondent's statement of case [148 & 149].

54. We accept that the Applicant is controlled by Mr Stowell who now owns the other 5 flats. We do not accept that this of itself is oppressive, the law does not prevent such arrangements. Further we note it is alleged that a variation will devalue the Respondent's flat. There was no expert evidence and we find that we are not satisfied

on the evidence before us it will. In our judgment we think the contrary is likely that a lease with service charge provisions requiring the landlord to maintain and repair, even if subject to a service charge, would be more attractive to Buyers on the open market than the current position where no party has an obligation to maintain the property as a whole.

55. It is the position as it exists today that we must consider. The Respondent accepts that monies are required to be expended and that she should contribute 1/6th to the sums spent. We do not find that the Respondent on the evidence she adduced satisfied us that she would be prejudiced by the variation. The Respondent will benefit from the statutory protections afforded leaseholders including as to consultation in respect of major works. Further we observe that currently it is Mr Stowell who must pay the majority of the charges and so has an interest in ensuring the same are reasonable.

56. As a result we find that the lease should in principle be varied.

57. Mr Walker did invite us if we were minded to grant a variation to issue directions in respect of the question of compensation. We decline to do so. We are not satisfied that compensation should be payable. We are not satisfied that any case of loss has been made out by the Respondent within her evidence and we decline to issue further directions.

58. As to the form of variation we have considered the submissions made by the parties in particular the Schedule. We remind the parties we are varying the lease and not granting any new form of lease.

59. We find that the new terms should apply from 1 January 2026. The Applicant proposed that the new terms should apply from the date of determination. However through no fault of the parties the determination has been delayed. On balance we consider that the 1 January 2026 is a proper date for the variation to apply from being the start of a calendar year and the service charge provision.

60. We consider that a comprehensive service charge provision in modern form should be included. Certain clauses are objected to as to the proposed wording. In the main save as set out below we prefer the arguments advanced by the Applicant and do not interfere with the proposed wording. In particular matters of discretion we are satisfied that the various statutory protections the Respondent has give appropriate protection and in our determination it is reasonable to allow matters of discretion to the party undertaking repair and maintenance. In a similar fashion we reject amendments seeking to impose additional consultation upon the Applicant. We find that in our judgment such amendments are likely to prove unworkable and only lead to further litigation.

61. We consider the establishment of a reserve fund to be reasonable and appropriate. We accept some concerns have been expressed generally but are satisfied that any risks are outweighed by the benefits.

62. We comment below on specific clauses

Clause	Tribunal comment
1. There shall be added a new Clause 2(24) to the Original Lease as follows: "the Lessee shall pay to the Lessor interest at the rate of 5% above National Westminster base rate upon any payment of Rent or Service Charge which shall not have been paid within 21 days of the due date for payment"	We agree such clause should be inserted. To do so is a reasonable addition in a modern serve charge mechanism.
4.3.1.3 The passages landings and staircases and other parts of the Building enjoyed or used by the Lessee in common with others	Respondent does not use such features currently and should not be required to contribute to the cost. The Applicant appears to accept they should only contribute if they use the same. To avoid any uncertainty this should be deleted
4.3.12 To provide insurance cover for the Directors and Officers of the Landlord	We do not agree that the Respondent should contribute. The Respondent has no interest in the Applicant company, if she had a share of the freehold we can see the logic however in our judgment only those leaseholders who have an interest in the company should contribute if the company chooses to have such insurance cover.
4.3.13 To employ contractors to clean the exterior of the windows of the Building at reasonable internals	We prefer the argument of the Respondent. The lease already makes adequate provisions for window cleaning of the Respondent's flat.

63. The Tribunal Orders that the lease is varied as set out below and that the Applicant will cause a copy of this order varying the terms of the lease to be Registered by the Land Registry against the freehold and leasehold titles.

RIGHTS OF APPEAL

1. A person wishing to appeal this decision to the Upper Tribunal (Lands Chamber) must seek permission to do so by making written application by email to rpsouthern@justice.gov.uk

2. 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.

3. 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.

APPROVED VARIATIONS

The Lease shall be read and construed as varied from the 1st January 2026 (1) by the provisions set out in the Schedule and (2) so as to include the definitions set out below relevant to those provisions.

NOW THIS DEED WITNESSES as follows:-

1. Definitions and Interpretation

The definitions in this clause apply in this deed

1.1 "the Lease" means a lease dated 22nd July 2005 as varied by a Deed of Variation dated 14th September 2005, the interest under which is registered at the Land Registry under Title Number SY741303

1.2 "the Original Lease" means a lease dated 5th day of May 1961 referred to in the Lease which was formerly registered under title number SY267957

1.3 "the Modifications" means the modifications and variations in the terms of the Lease set out in the Schedule hereto

1.4 "the Property" means the premises demised by the Lease

1.5 "the Rent" means the rent payable under the Lease

1.6 "the Term" means the term granted by the Lease

1.7 "the Services" means the service facilities and amenities specified in Clause 4.3 of the Original Lease (as amended by this Deed)

1.7 "Financial Year" means the period from 1st January to 31st December in each year

1.9 "the Building" means the property known as Belle Ile, 84 Harestone Hill including the original conservatories, garages and ornamental balustrading.

1.10 "Annual Expenditure" means:

1.10.1 all costs expenses and outgoings whatever reasonably and properly incurred by the Landlord during a Financial Year in or incidental to providing all or any of the Services and

1.10.2 any VAT payable on such sums costs and expenses and outgoings but excluding any expenditure in respect of any part of the Building for which the Tenant or any other Tenant is wholly responsible and excluding any expenditure that the Landlord recovers or that is met under any policy of insurance maintained by the Landlord pursuant to its obligations in this lease

1.11 "the Service Charge Proportion" means one sixth or such other proportion the Landlord's surveyor shall deem fair and reasonable

1.12 “the Service Charge” means the Service Charge Proportion of the annual Expenditure

SCHEDULE

Modifications to the Lease

1. There shall be added a new Clause 2(24) to the Original Lease as follows: “the Lessee shall pay to the Lessor interest at the rate of 5% above National Westminster base rate upon any payment of Rent or Service Charge which shall not have been paid within 21 days of the due date for payment”
2. Clause 2(7) of the Original Lease shall be deleted and in its place there shall be substituted “The Lessee shall pay to the Lessor a Service Charge payment being the Service Charge Proportion of the costs to the Lessor in providing the Services such payments to be made in accordance with the provisions of the Third Schedule hereto”
3. Clause 4(3) of the Original Lease shall be deleted and there shall be substituted the following words
4.3 Subject to payment by the Lessee of the Rent and Service Charge and to compliance by the Lessee with the covenants, agreements and obligations on the Lessee’s part to be performed and observed.
4.3.1 to maintain repair decorate renew and clean:
4.3.1.1 the structure of the Building and original conservatories and garages including the doors thereof and in particular but without prejudice to the generality the roofs foundations external and internal walls (but not the interior faces of such walls as bound the Premises) timbers (including the timber joists and beams of the floors and ceilings) chimney stacks gutters and rainwater and soil pipes of the Building.
4.3.1.2 The sewers drains channels watercourses gas and water pipes electric cables and wires and supply lines in under and upon the Building
4.3.1.3 The forecourt external steps paving and balustrades access roads and access within and the boundary walls and fences of the curtilage of the Building which are not let to other tenants on long leases
4.3.1.4 The communal gardens and grounds
PROVIDED that the Lessor shall not be liable to the Lessee for any defect or want of repair unless the Lessor has notice of it.
4.3.2 to comprehensively insure and keep insured the Building and Lessor’s fixtures in it against loss or damage by fire and such other risks as the Lessor deems desirable or expedient in some insurance office or with underwriters of repute in the full cost or reinstatement of the premises from time to time together with
4.3.2.1 architects’ surveyors’ and other professional fees and all other fees payable in connection with reinstatement of the premises
4.3.2.2 the cost of demolition site clearance temporary shoring and other costs which may be incurred in making the Building safe
4.3.2.3 One year’s loss of rent (or such period of rent as the Lessor is advised) and the Lessor shall ensure that the policy is so worded that the act or default of any one Tenant of the Building shall not prejudice the claims of any other Tenant or the Landlord
4.3.3 To make all payments necessary to keep the Building and Lessor’s

fixtures in it insured as required by Clause 4.3.2 within one month after they become payable
4.3.4 To produce to the Tenant on demand details of the policy of insurance effected Clause 4.3.2 and evidence of payment of the last premium
4.3.5 To cause all money received by virtue of any insurance effected under Clause 4.3.2 (other than any money received in respect of loss of rent) to be laid out as soon as possible in rebuilding and reinstating the Building and the Lessor's fixtures in it (as applicable) so that they may be as commodious and convenient in all respects as they were before the destruction or damage in respect of which the money was received.
4.3.6 As and when the Landlord shall deem necessary to decorate in a good and workmanlike manner the external parts of the Building
4.3.7 To pay and discharge any rates (including water rates) taxes duties assessments charges impositions and outgoings assessed charged or imposed on the Building as distinct from any assessment made in respect of any flat in the Building.
4.3.8 To employ at the Landlord's discretion a firm of managing agents to manage the Building and its curtilage and discharge all proper fees charges and expenses payable to such agents or such other persons who may be managing the Building including the cost of computing and collecting the Service Charge
4.3.9 To comply with current legislation and generally to do or cause to be done all works installations acts matters and things as in the absolute discretion of the Landlord may be considered necessary or desirable for the proper maintenance safety amenity and administration of the Building
4.3.10 To keep proper books of account of the sums received from the Tenant and the other tenants in the building in respect of the Annual Expenditure and of all costs charges and expenses incurred by the Landlord pursuant to his covenants in this lease
4.3.11 To set aside such sums as the Landlord reasonably requires to meet such future costs as the Lessor reasonably expects to incur in replacing maintaining and renewing those items that the Lessor has covenanted to replace maintain or renew .
4.3.12 To employ contractors to clean the exterior of the windows of the Building at reasonable internals
4.3.13 To instruct surveyors structural engineers solicitors barristers or any other appropriate professionals in connection with a failure by any tenant of a flat in the Building to comply with the covenants in their lease (including the tenant under the Lease (as varied by this deed)) including without prejudice to the generality of the above professional costs incurred in relation to any claim proceedings action or matter, whether in the courts or the tribunals or some other forum for dispute resolution, relating to the enforcement of such covenants.
4.3.14 To pay for all utilities supplied to the common parts of the Building that are
enjoyed or used by the Lessee in common with others.
4. Clauses 1(a), 1(b), 2(11) and 2(12) of the Original Lease shall be deleted.
5. There shall be added to the Lease a Third Schedule as follows:

THIRD SCHEDULE

The Service Charge Provisions

1. The Lessor shall perform the Services throughout the Term

2. The Lessor shall as soon as convenient after the end of each Financial Year but no later than a period of 6 months following the end of each Financial Year prepare an account showing the Annual Expenditure for the Financial Year and containing a full summary of the expenditure referred to in it and upon such account being certified by a qualified Accountant with an appropriate certificate to certify that the costs expenditure referred to in it have been incurred and are costs which ought to be included within the Service Charge in accordance with the lease it shall be conclusive evidence for the purposes of this lease of all matters of fact referred to in the account except in the case of error

3. The Lessee shall pay for the next and each subsequent Financial Year a provisional sum being a reasonable payment on account of the Service Charge for that period properly budgeted and on the presentation of a budget by two equal annual payments the first within 21 days following the presentation of the aforementioned budget and the second six months thereafter.

4. If the Service Charge for any Financial Year shown in the account duly certified exceeds the amount demanded pursuant to paragraphs 3.3 or 3.4 as applicable for that Financial Year the excess shall be due to the Lessor on demand and following compliance with paragraph 3.2 and if the Service Charge for any Financial Year is less the overpayment shall be credited to the Lessee against the first instalment due for the following Financial Year.

5. If at any time during a financial year urgent major works are required such works being subject to a Section 20 procedure and the said works had not been anticipated in the budget for the Financial Year the Landlord may demand and the Tenant shall pay within 14 days of request an emergency payment being the Proportion of the anticipated cost once a quote for the said works has been accepted by the Landlord

6. If at any time during the Term the total property enjoying or capable of enjoying the benefit of any of the Services is increased or decreased otherwise than on a temporary basis or if some other event occurs a result of which is that the Service Charge Percentage is no longer appropriate to the Premises the Lessor shall apply to the FTT seeking a variation to the Service Charge Percentage.