

**BUNDLE FOR HEARING**

**LON/00BK/LDC/2024/0030**

**London & Surrounding Counties Energy-Peabody Trust**

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5 December 2023

«TCY\_CORRESPOND\_NAME»  
«CONTACT\_ADR\_LINE\_1»  
«CONTACT\_ADR\_LINE\_2»  
«CONTACT\_ADR\_LINE\_3»  
«CONTACT\_ADR\_LINE\_4»  
«CONTACT\_ADR\_LINE\_5»  
«CONTACT\_ADR\_LINE\_6»

Dear «TCY\_CORRESPOND\_NAME»

### **Energy Supply Agreements**

**Property Address: «PROP\_ADR1» «PROP\_ADR2» «PROP\_ADR3» «PROP\_ADR4»  
«PROP\_ADR5» «PROP\_ADR6»**

We know that paying energy bills is a challenge for many people. So we want to get the best deal possible in order to pass the lowest prices onto you. But to be able to do this, we need your help.

We are in the process of procuring a broker agreement. The broker will assist Peabody in ensuring that the energy contracts we enter into are best value for our residents by scanning a wide variety of suppliers in the market to achieve the best value which reflects our large property portfolio. Their work will also assist us in making sure that the invoices we receive and pay are being charged at the correct contractual rates. This agreement will have a term of three years with the option to extend for a further two.

Once the brokerage agreement is in place, we intend to use the broker to buy gas and electricity. This will enable us to negotiate single, long-term agreements in order to achieve best value. Our broker will identify optimum times to enter into new agreements with suppliers so that Peabody and our residents can benefit from dips in the market and our significant buying power.

### **Consultation on these new agreements**

As a landlord we are required to consult residents prior to entering into contracts of 12 months or longer or under which residents would be expected to contribute £100 or more per year. Such agreements are known as a Qualifying Long-Term Agreement (QLTA) and the consultation requirement is enshrined in Section 20 of the Landlord and Tenant Act 1985. The utility broker agreement is not considered a QLTA for which consultation is required because, despite the length of the contract, the value of the services is not of a value that would require consultation.

Peabody Trust (registration no. 7741) (RSH no.4878) and Peabody South East Limited (registration no. 7636) (RSH no. 4869) Registered addresses: 45 Westminster Bridge Road, London, SE1 7JB  
Exempt Charities regulated by and registered with the RSH & FCA in respect of regulated activities.  
Details of legal entities in the Peabody Group can be found on our website [www.peabody.org.uk](http://www.peabody.org.uk)

However, any energy purchased by the broker on behalf of Peabody would be considered a QLTA if the term of that agreement exceeded 12 months. As energy is a commodity traded on the energy markets with prices changing minute by minute, competitive quotations for energy are only held for a matter of hours. This prevents any landlord from providing estimates to residents and seeking their views before we buy the energy.

### **Seeking dispensation**

Because we are unable to consult for the proposed energy supply agreements, we will be applying to the First Tier Tribunal (FTT) for permission to dispense with the consultation requirements for the buying of energy. Purchasing energy from the wholesale market is the only way to obtain the most competitive pricing. It is important that we have the freedom to access this energy market at the best moment to obtain the best prices. It is, therefore, not possible to undertake the full consultation process. Dispensing with the consultation requirements, in no way diminishes the right to challenge any other aspect of a service charge and you still retain the right to challenge the reasonableness of the cost of energy.

### **Influencing our plans**

Prior to filing an application with the Tribunal, we wish to give residents the opportunity to submit observations concerning the proposed contracts. Observations can be sent by post to the following address Peabody, 45 Westminster Bridge Road, London SE1 7JB or by email to: [section20@peabody.org.uk](mailto:section20@peabody.org.uk)

Observations must be received by no later than 8 January 2024 as after that date we will proceed to file our application for dispensation. The tribunal will consider our application together with any comments you submit and then make a decision on whether dispensation from Peabody following the full consultation process can be granted. We will write to you in the coming months with further updates as our application progresses.

Yours sincerely

Samantha Dhanilall

Leasehold Compliance Lead  
On behalf of Peabody Trust

## Summary of Observations & Responses

| Observations  | Landlords Response  |
|---|---|
| <p>1. I'd like clarity as to why Peabody has applied to the first tier tribunal to skip the full consultation process for this? I am asking this as it doesn't seem reasonable having to skip this process (in my opinion) if the expectation is for the same to exist. What do the other management companies do in this situation and why is there a need for Peabody to skip this process? If it's common practice to skip the consultation process due to the variety of prices in short periods, I'd expect that an exception would exist for this as common practice in the industry.</p> | <p>Energy is a commodity and trades on the energy market with prices changing minute by minute so competitive quotations for energy are only held for a matter of hours. This means that although Peabody would ideally wish to consult residents to fulfil our consultation requirements, we are prevented from doing so in accordance with the consultation regulations. Where a landlord cannot carry out full consultation, a dispensation application is required. A tribunal will then determine if dispensation is appropriate under the circumstances</p> |
| <p>2. Our property has solar panels, but we are unclear as to what their purpose is and how this may affect our bills</p>   | <p>In regard to solar panels, any energy generated is fed back into the block to help reduce costs.</p>   |
| <p>3. I pay for my own energy as in electric. I think I am right in saying that your letter will not apply to me.</p>   | <p>This contract does not affect your personal energy supply with your chosen supplier. It will relate to any gas or electrical consumption in the common part of the block and estate e.g, lighting and heating</p>  |
| <p>4. There has been NO explanation for why there appears to be an urgency to circumnavigate the S 20 process by applying to a First Tier Tribunal</p>  | <p>The broker will be used to identify opportune times to enter into agreements and obtain the best priced deals available.<br/>Historically we have entered into energy agreements just under 12 months which did not need formal Section 20 consultation, we want to be able to consider longer term agreements if they offer better rates.</p>   |
| <p>5. Mis-selling of energy contracts by brokers is widespread in the energy industry, with commissions hidden within the business energy contract one of the most prevalent ways we can be mis-sold to.</p>  | <p>We understand your concerns around brokers not being regulated. We understand that Ofgem is looking to strengthen business energy contract protection and broker oversight in future.<br/>In the interim Peabody has an energy manager who will review and challenge (where required) any arrangement the broker puts forward</p>  |
| <p>6. Why are the national energy suppliers not requested to partake in the tender or have I misunderstood?</p>   | <p>All energy providers will be considered for the contract, with the ultimately view of obtaining the best value for money.</p>  |
| <p>7. Please can Peabody seek to ensure that the electricity supplied is from green, renewable sources, such as wind, solar and tidal supplies, support efforts to tackle climate</p>   | <p>We will be considering green energy, with the ultimate aim of securing a deal that obtains the best value for our residents</p>  |

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| <p>change and improve air quality etc.</p>  |   |
| <p>8. How has Peabody procured energy contracts historically if not using a broker or long-term supply contracts? What has changed to now necessitate using a broker? Please also explain the concern identified regarding paying invoices "at correct contractual rates" There are significant governance issues observed here.</p>  | <p>Peabody has previously utilised energy brokers to procure agreements for us.<br/>We are now have a larger portfolio following our merger with Catalyst, so are looking to appoint a broker to cover our entire property portfolio and source the best deals.<br/>We want to take advantage of locking in better deals with longer term agreements of up to 3 years, our broker will advise on the most beneficial arrangement. Historically we have signed up to agreements just under a year. We do not charge broker fees to our leaseholders.<br/>The broker will look also look at the bills received to ensure they are correct and challenge where required.</p> |
| <p>9. Whilst this makes sense in the context of securing the best possible (lowest) wholesale energy rates, I would like some reassurance that this is a one off dispensation. I trust that this doesn't mean that Peabody will no longer have to consult residents on future issues which could affect service charge.</p>   | <p>This dispensation only affects energy contracts. We are unable to carry out a full consultation, as you know energy prices can be quite volatile so we want to be able to buy energy when the rates are low. A broker will help us find the best deals.<br/><br/>We will carry out the usual Section20 consultation for any other long term agreements as we have done in the past.</p>  |
| <p>10. This block is a low electric energy user to communals ,the biggest part of the Bill will be standing order for the meters.<br/>Also there is a huge reserve fund ( with no big maintenance items in the foreseeable for Lowden Road ) and yet you continue to raise service charges</p>  | <p>We want to be able to obtain the lowest rates possible for gas and electricity so even blocks that have relatively low energy usage can benefit. Reserve funds are set aside for major items of expenditure such as roof/window replacements, internal and external cyclical works that can run into several thousands of pounds so we need to ensure that it's not used for day to day service charge expenditure.</p>  |
| <p>11. I am wary of large enterprises engaging third parties, who exist to benefit their business alongside that of the client. Transparency can be an issue especially where time is of the essence and we may not see the benefit for some time. I would urge the creation of some form of periodic feedback to you and us to assure that the broker relationship is in fact delivering expected benefits.<br/>I take issue with your assertion that this is not considered a QLTA on value grounds as my yearly charge for 2023 -2024 has been estimated (by you) to be £238.88.</p> | <p>The QLTA aspect does apply to the usage of gas/electricity for the block and grounds as cost will be more than £100 per year. We are saying the appointment of a broker will not be a qualifying long term agreement.<br/>Peabody's energy team will monitor the broker and expected savings we are looking to make with these proposed agreements, and you will of course see this in the year end service charge accounts.</p>   |

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| 12. I assume that this letter relates to the energy you obtain for the service charge requirements relating to each block of flats and not to my own domestic energy use.   | Yes you have understood my letter correctly, this relates to common parts of the block/estate and not your personal supply agreement with your chosen supplier.   |
| 13. We are currently with E-on, which I assume is the same for everyone else here. What supplier are you switching to? Also, cost wise, how will this affect us   | We don't have any cost information to provide with you at this stage as the new agreements are not in place yet. As you know energy costs are based on the individual block consumption. You can look at your last service charge account to see what you have been charged previously for energy costs.  |
| 14. Residents would greatly benefit from a transparent explanation of how the energy contracts will be negotiated. It is vital for the trust between the management and the residents that we understand how you will ensure the best deal is being obtained.   | Once we have signed up to new agreements we can advise you of rates that we have fixed in. We intend to be transparent and communicate with leaseholders once agreements have been entered into.  |
| 15. Will historical energy consumption and cost data be used to inform the negotiation process? This information should be leveraged to forecast and plan effectively.  | As we have recently merged with Catalyst, we need to build up usage data for the combined group and intend to utilise this data for future agreements.  |
| 16. Regarding the letter I received, I am not interested unless you can guarantee that I will pay less for energy and if so, I would like to see some figures please?   | We can not comment on any savings as no agreement is in place yet. We are looking to get the best rates as possible for energy. As you know energy costs are based on usage so we can't really advise on savings as such.   |
| 17. How many brokers have you consulted with? We require any energy agreement for gas and electricity to be stand alone for Brockwell PI unless you can prove it is cheaper by agreeing one agreement for all Peabody properties, or in concert with Finsbury or other properties (if that is what is intended)? Esp as previous consultation and statutory notices are prima facie in breach of statutory requirements in that regard. And as Peabody manage | We have not yet procured a broker, but will be doing so in the coming weeks.<br>Our broker will identify optimum times to enter into new agreements with suppliers so that Peabody and our residents can benefit from dips in the market and our significant buying power.<br>Purchasing energy from the wholesale market is the only way to obtain the most competitive pricing, so we can not negotiate a separate agreement for your |

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| <p>much social housing. Full details required to ensure us, as private long leaseholders, are not paying more in the service charge or subsidizing the social housing.</p>  | <p>block only. It is important that we have the freedom to access the energy market at the right time to obtain the best prices. As you would do with your personal supply when you are shopping around for suppliers. We are therefore seeking dispensation from a tribunal to be able to do this.</p> <p>As our application with the tribunal progresses we will provide further updates.</p>  |
| <p>18. I understand that my communal energy bills are organised through the management company so I'm not sure why this is being organised by yourselves?</p>   | <p>This contract will not apply to your block as Peabody is the head lessee with the managing agent employed by the freeholder being ultimately responsible for energy contracts. Apologies for any confusion</p>  |
| <p>19. What are the cost benefits analysis for hiring a broker versus getting a fixed rate contract for energy prices with vendors instead?<br/>If there is no analysis done, I would suggest you to do the same. Because since we have bought the apartment, the monthly service charge has always been higher for us for one or the other reason. I understand that is the whole purpose of hiring the brokers that it saves energy costs for the residents, but without a cost benefits analysis, we would not be able to make a prudent decision.</p> | <p>Peabody has previously utilised energy brokers to procure agreements for us.</p> <p>We now have a larger portfolio following our merger with Catalyst, so are looking to appoint a broker to cover our entire property portfolio.</p> <p>We want to take advantage of locking in better deals with longer term agreements of up to 3 years. Historically we have signed up to agreements just under a year. We do not charge additional broker fees to our leaseholders.</p> <p>As explained in the letter any agreement over 12 months requires full section 20 consultation as cost for the supply of energy with residents which we are unable to carry out, because when a good deal becomes available we need to accept it within a short window of time making it impossible to consult leaseholders beforehand</p> |
| <p>20. Peabody has not presented or shared a cost/benefit analysis, if any with leaseholders that demonstrates the benefits of this procurement method.</p> <p>There is insufficient information about the duties of the energy broker in this arrangement, including the cost of procuring the broker's services etc.</p> <p>How will success be measured under this arrangement? It is essential to have a benchmark that is transparent and accessible to all stakeholders from the start.</p>   | <p>There will be no broker costs passed onto leaseholders, you will contribute to your apportioned percentage of communal costs as usual.</p> <p>The broker will be used to identify opportune times to enter into agreements and obtain the best priced deals available.</p> <p>Historically we have entered into agreements just under 12 months, we want to be able to consider longer term agreements (up to 3 years) if they offer better rates.</p> <p>In order to do this was cant undertake a full consultation process as when a good deal becomes available we will have around 24 hours to sign up to it, making full consultation impossible.</p> <p>The tribunal will decide if dispensation can be granted. Dispensation, if granted to Peabody does not does not diminish your right to challenge actual</p>  |

|  |                                    |
|--|------------------------------------|
|  | costs as when they become payable. |
|  |                                    |



# Application for the dispensation of all or any of the consultation requirements provided for by section 20 of the Landlord and Tenant Act 1985

Section 20ZA of the Landlord and Tenant Act 1985

**It is important that you read the notes below carefully before you complete this form.**

This is the correct form to use if you want to ask the Tribunal to dispense with all or any of the consultation requirements set out in section 20 of the Landlord and Tenant Act 1985 and in the Service Charges (Consultation Requirements)(England) Regulations 2003.

**A fee is payable for this application (see section 13 for Help with Fees).**

Applications should be sent as a Microsoft Word document by **email** to the relevant regional tribunal address shown in the Annex to this form. You must also send by email **the documents listed in section 13 of this form**. If you cannot access email or find someone to assist you in lodging your application by email, then a paper application will be acceptable although there may be a delay in dealing with this. Sending an application on paper will not be suitable in urgent cases.

You can now pay the **the fee (if applicable) by an on-line banking payment or by cheque/postal order enclosed with the application form.**

**If you want to be sent online banking payment details by email, please tick this box**

Please make sure a copy of the application is served on the other party/parties to the application. If you are unable to serve a copy on the other party/parties, please bring this to the tribunal's attention in the covering email or if sending by post in a covering letter.

**Please do not send any other documents.** When further evidence is needed, you will be asked to send it in separately.

**If you have any questions about how to fill in this form, the fee payable, or the procedures the Tribunal will use please contact the appropriate regional office.**

If you are completing this form by hand please use **BLOCK CAPITAL LETTERS**.

**1. DETAILS OF APPLICANT(S) (if there are multiple applicants please continue on a separate sheet)**

Name:

Capacity:

Address (including postcode):

Address for correspondence (if different from above):

Telephone:

Day:  Evening:  Mobile:

Email address:  Fax:

Representative name and address, and other contact details: Where details of a representative have been given, all correspondence and communications will be with them until the Tribunal is notified that they are no longer acting for you.

Name:

Reference no. (if any)

Address (including postcode):

Telephone:

Day:  Mobile:

Email address:  Fax:

**2. ADDRESS (including postcode) of SUBJECT PROPERTY (if not already given)**

**3. DETAILS OF RESPONDENT (S) the person against whom an applicant seeks determination from the tribunal – this will only be the landlord’s managing agent if they are a party to the lease. If there are multiple respondents, please continue on a separate sheet.**

Name:

Capacity

Address (including postcode):

Reference no. for correspondence (if any)

Address for correspondence (if different from above):

Telephone:

Day:  Evening:  Mobile:

Email address:  Fax:

**Note:** If this is an application by a landlord, then usually all tenants liable to pay a service charge for the costs in question should be joined as respondents. If tenants are not joined in this way, the landlord should provide the Tribunal with a list of the names and addresses of service charge payers. If this is not possible or is impractical, then a written explanation must be provided with this application.

If you are the landlord/management company making the application please omit, if known, the telephone/fax numbers and email address of the respondent(s) when completing Box 4 and include them on a separate sheet. This is because the application form may be copied by the tribunal to other appropriate persons (e.g. other service charge paying leaseholders in the building or development).

**4. BRIEF DESCRIPTION OF BUILDING (e.g.2 bedroom flat in purpose built block of 12 flats)**

## 5. DETAILS OF LANDLORD (if not already given)

Name:

Address (including postcode):

Reference no. for correspondence (if any)

Telephone:

Day:

Evening:

Mobile:

Email address:

Fax:

## 6. DETAILS OF ANY RECOGNISED TENANTS' ASSOCIATION (if known)

Name of Secretary

Address (including postcode):

Telephone:

Day:

Evening:

Mobile:

Email address:

Fax:

## 7. DISPENSATION SOUGHT

Applicants may seek a dispensation of all or any of the consultation requirements in respect of either qualifying works or long-term agreements.

Does the application concern qualifying works?

Yes  No

If Yes, have the works started/been carried out?

Yes  No

Does the application concern a qualifying long-term agreement?

Yes  No

If Yes, has the agreement already been entered into?

Yes  No

For each set of qualifying works and/or qualifying long-term agreements please

complete one of the sheets of paper entitled '**GROUND'S FOR SEEKING DISPENSATION**'

## 8. OTHER APPLICATIONS

Do you know of any other cases involving either: (a) related or similar issues about the management of this property; or (b) the same landlord or tenant or property as in this application?

Yes  No

If Yes, please give details

## 9. CAN WE DEAL WITH YOUR APPLICATION WITHOUT A HEARING?

If the Tribunal thinks it is appropriate, and all the parties and others notified of their right to attend a hearing consent, it is possible for your application to be dealt with entirely on the basis of written representations and documents and without the need for parties to attend and make oral representations. ('A paper determination').

Please let us know if you would be content with a paper determination if the Tribunal thinks it appropriate.

Yes  No

**Note:** Even if you have asked for a paper determination the Tribunal may decide that a hearing is necessary. Please complete the remainder of this form on the assumption that a hearing will be held. Where there is to be a hearing, a fee of £200 will become payable by you when you receive notice of the hearing date.

## 10. TRACK PREFERENCES

We need to decide whether to deal with the case on the Fast Track or the Standard Track (see Guidance Note for an explanation of what a track is). Please let us know which track you think appropriate for this case.

Fast Track  
 Standard Track

Is there any special reason for urgency in this case?

Yes  No

If Yes, please explain how urgent it is and why:

The landlords existing energy supply agreements expire on 1 October 2024. We kindly request that a decision on whether to grant dispensation is made by May 2024 if possible so that the broker has a sufficient window of opportunity over the summer months (which are typically when wholesale energy prices are lower) to secure best value for the new energy supply contracts that will commence in October 2024

### Note

The Tribunal will normally deal with a case in one of three ways: on paper (see section 10 above) or 'fast track' or 'standard track'. The fast track is designed for cases that need a hearing but are very simple and will not generate a great deal of paperwork or argument. A fast track case will usually be heard within 10 weeks of your application. You should indicate here if you think your case is very simple and can be easily dealt with. The standard track is designed for more complicated cases where there may be numerous issues to be decided or where for example, a lot of documentation is involved. A standard track case may involve the parties being invited to a Case Management Conference which is a meeting at which the steps that need to be taken to bring the case to a final hearing can be discussed.

## 11. AVAILABILITY

If there are any dates or days we must avoid during the next four months (either for your convenience or the convenience of any expert you may wish to call) please list them here.

Please list the dates on which you will NOT be available:

## 12. VENUE REQUIREMENTS

Please provide details of any special requirements you or anyone who will be coming with you may have (e.g. the use of a wheelchair and/or the presence of a translator):

Applications handled by the London regional office are usually heard in Alfred Place, which is fully wheelchair accessible. Elsewhere, hearings are held in local venues which are not all so accessible and the case officers will find it useful to know if you or anyone you want to come to the hearing with you has any special requirements of this kind.

## 13. CHECKLIST

**Please check that you have completed this form fully. The Tribunal will not process your application until this has been done. Please ensure that the following are enclosed with your application and tick the appropriate box to confirm:**

A copy of the lease(s).

A statement that service charge payers have been named as respondents or a list of names and addressess of service charge payers

### EITHER

A crossed cheque or postal order made out to HM Courts and Tribunal Service for the application fee of £100 (if applicable) is enclosed. **Please write your name and address on the back of the cheque or postal order. Please also send a paper copy of your application with your cheque or postal order, regardless of whether you have already emailed the application.**

### OR

You have ticked the box at the top of this form to say you want the relevant regional tribunal office to send you details on how to pay the application fee of £100 by on-line banking. **The unique payment reference the tribunal office supplies MUST be used when making your on-line banking payment.**

**DO NOT send cash under any circumstances. Cash payment will not be accepted.**

**Please note where there is to be a hearing, a fee of £200 will become payable by you when you receive notice of the hearing date.**

### Help with Fees

If you think you may be entitled to a reduced fee, the guide EX160A 'Apply for help with court, tribunal and probate fees' outlines how you can submit an application for Help with Fees.

You can submit your Help with Fees application online at [www.gov.uk/help-with-court-fees](http://www.gov.uk/help-with-court-fees) or by completing the form EX160 'Apply for help with fees'. You can get a copy of the 'Apply for help with fees' form online at [www.gov.uk/government/publications/apply-for-help-with-court-and-tribunal-fees](http://www.gov.uk/government/publications/apply-for-help-with-court-and-tribunal-fees) or from your regional tribunal office.

**Leasehold 5** Application for the dispensation of all or any of the consultation requirements provided for by section 20 of the Landlord and Tenant Act 1985 (08.20)

If you have completed an online application for Help with Fees please enter the reference number you have been given here.

|   |   |   |   |  |  |  |   |  |  |  |
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If you have completed form EX160 "Apply for Help with Fees" it must be included with your application.

The 'Apply for help with fees' form will not be copied to other parties

#### 14. STATEMENT OF TRUTH

**The statement of truth must be signed and dated.**

**I believe that the facts stated in this application are true.**

**Signed:** Samantha Dhanilall **Dated:** 02/02/2024

#### GROUND FOR SEEKING DISPENSATION

**Please use the space below to provide information mentioned in section 7 of this form.**

You will be given an opportunity later to give further details of your case and to supply the Tribunal with any documents that support it. At this stage you should give a clear outline of your case so that the Tribunal understands what your application is about. Please continue on a separate sheet if necessary.

1. Describe the qualifying works or qualifying long-term agreement concerned, stating when the works were carried out or planned to be carried out or in the case of a long-term agreement, the date that agreement was entered into or the proposed date it is to be entered into.

The Applicant, Peabody Trust, merged with Catalyst Housing Group in April 2023 and manages approximately 104,000 properties. The intention is to enter into a new agreement with an energy broker and to use that broker to procure utility supply agreements.

The broker agreement is proposed to be for an initial period of 3 years with an option to extend by a further 2 years to provide expert utility consultancy and invoice validation services. Entering into this agreement will allow the Applicant to take the desired longer term, strategic approach in purchasing energy on behalf of its residents. The broker will assist the Applicant in ensuring that the utility contracts we enter into are best value for our residents by using established trading practices and account management services. This will also assist us in making sure that the invoices we receive and pay are being charged at the correct contractual rates to avoid situations where our residents are being overcharged. The broker will approach the market to obtain bids from energy companies to supply gas and/or electric across all of the properties within the Applicant's stock. The proposed new broker agreement is not the subject of this application, as no brokerage costs incurred by Peabody under the broker agreement will be recharged to leaseholders.

Our existing agreement for energy expires on 1 October 2024, the broker will need a sufficient window of opportunity over the summer months (i.e. from 1 June 2024) to monitor the wholesale energy markets and secure the best value contract to commence on 1 October 2024.

The nature of purchasing of utilities in the energy market, and Qualifying Long Term Agreements mean that it is not reasonably practicable for the Applicant to give the required information at the notice of proposal stage of the consultation process and also to have regard to the Resident's observations as generally there has to be acceptance of prices offered in a small window of time. It is therefore not possible to act in the Resident's best interests as required by the Public Procurement Regulations whilst following the Section 20 Consultation requirements.

The agreements that the broker will be entering into on behalf of the Applicant will be longer than 12 months and are therefore QLTA's for which the Applicant is seeking dispensation from the

requirements the Consultation Regulations 2003.

2. Describe the consultation that has been carried out or is proposed to be carried out.

The applicant wrote to its 14,055 affected leaseholders in December 2023 and they were asked to comment on the proposed contract and application.

The Applicant has received an estimated 105 responses to date and are continuing their ongoing effort to effectively communicate and engage with leaseholders in order to alleviate any concerns that they may have. The Applicant confirms that they will respond to any future observations received. The Applicant also intends to send a letter to leaseholders following issue of the application to the Tribunal. The letter will advise the leaseholders that the application has commenced and invite leaseholders to contact the Applicant should they wish to be supplied with a full copy of the application and its accompanying documents.

In addition to the above, the Applicant will:

- Publish the application and outcome of the application on its website.

The Applicant has not appended copies of the leases as there isn't a standard lease. The leases have considerable variations between them and therefore it would be impractical to provide copies of every lease. All of the leases require the leaseholders to contribute towards the costs that will be incurred by the Applicant under the intended agreement with the utility suppliers.



3. Explain why you seek dispensation of all or any of the consultation requirements.

Energy is a commodity and trades on the energy market with prices changing minute by minute so competitive quotations for energy are only held for a matter of hours. This means that though the Applicant would ideally wish to consult residents to fulfil their consultation requirements, the Applicant is prevented from doing so in accordance with the consultation regulations.

The purpose of fixing a unit price for the supply of gas and electricity is to the benefit of all the Residents who will be able to take advantage of the Applicants' purchasing power and economies of scale. By using a broker to buy gas and electricity through the wholesale energy market, the Applicant is complying with Best Practice.

Specifically, the Applicant are unable to comply with Schedule 2 of the Service Charge consultation requirements. The nature of the long term agreements mean that it is not reasonably practicable for the Applicant to give the required information at the notice of proposal stage of the consultation process and have regard to the Resident's observations as there has to be acceptance of prices offered in a small window of time.

The Applicants therefore seeks dispensation of the consultation requirements under Section 20ZA of the Landlord and Tenant Act 1985 to enable the Applicants to contract with the successful bidder for the supply of gas and electric for heating and power to the communal areas of the Applicants' stock.

## ANNEX: Addresses of Tribunal Regional Offices

### NORTHERN REGION

HM Courts & Tribunals Service  
First-tier Tribunal (Property Chamber) Residential  
Property, 1<sup>st</sup> Floor, Piccadilly Exchange, Piccadilly  
Plaza, Manchester M1 4AH

**Telephone:** 01612 379491

**Fax:** 01264 785 128

**Email address:** [RPNorthern@justice.gov.uk](mailto:RPNorthern@justice.gov.uk)

**This office covers the following Metropolitan districts:** Barnsley, Bolton, Bradford, Bury, Calderdale, Doncaster, Gateshead, Kirklees, Knowsley, Leeds, Liverpool, Manchester, Newcastle-upon-Tyne, Oldham, Rochdale, Rotherham, St. Helens, Salford, Sefton, Sheffield, Stockport, Sunderland, Tameside, Trafford, Tyneside (North & South), Wakefield, Wigan and Wirral.

**It also covers the following unitary authorities:** Hartlepool, Middlesbrough, Redcar and Cleveland, Darlington, Halton, Blackburn with Darwen, Blackpool, Kingston-upon-Hull, East Riding of Yorkshire, Northeast Lincolnshire, North Lincolnshire, Stockton-on-Tees, Warrington and York.

**It also covers the following Counties:** Cumbria, Durham, East Cheshire, Lancashire, Lincolnshire, Northumberland, North Yorkshire and West Cheshire.

### MIDLAND REGION

HM Courts & Tribunals Service  
First-tier Tribunal (Property Chamber) Residential  
Property, Centre City Tower, 5-7 Hill Street,  
Birmingham, B5 4UU

**Telephone:** 0121 600 7888

**Fax:** 01264 785 122

**Email address:** [RPMidland@justice.gov.uk](mailto:RPMidland@justice.gov.uk)

**This office covers the following Metropolitan districts:** Birmingham, Coventry, Dudley, Sandwell, Solihull, Walsall and Wolverhampton.

**It also covers the following unitary authorities:** Derby, Leicester, Rutland, Nottingham, Herefordshire, Telford and Wrekin and Stoke-on-Trent.

**It also covers the following Counties:** Derbyshire, Leicestershire, Nottinghamshire, Shropshire, Staffordshire, Warwickshire and Worcestershire.

### EASTERN REGION

HM Courts & Tribunals Service  
First-tier Tribunal (Property Chamber) Residential  
Property, Cambridge County Court, 197 East Road  
Cambridge, CB1 1BA

**Telephone:** 01223 841 524

**Fax:** 01264 785 129

**Email address:** [RPEastern@justice.gov.uk](mailto:RPEastern@justice.gov.uk)

DX 97650 Cambridge 3

**This office covers the following unitary authorities:** Bracknell Forest, West Berkshire, Reading, Slough, Windsor and Maidenhead, Wokingham, Luton, Peterborough, Milton Keynes, Southend-on-Sea and Thurrock.

**It also covers the following Counties:** Bedfordshire, Berkshire, Buckinghamshire, Cambridgeshire, Essex, Hertfordshire, Norfolk, Northamptonshire, Oxfordshire and Suffolk.

## **SOUTHERN REGION**

HM Courts & Tribunals Service  
First-tier Tribunal (Property Chamber) Residential  
Property, Havant Justice Centre, The Court House,  
Elmleigh Road, Havant, Hants, PO9 2AL

**Telephone:** 01243 779 394

**Fax:** 0870 7395 900

**Email address:** [RPSouthern@justice.gov.uk](mailto:RPSouthern@justice.gov.uk)

**This office covers the following unitary authorities:** Bath and Northeast Somerset, Bristol, North Somerset, South Gloucestershire, Bournemouth, Plymouth, Torbay, Poole, Swindon, Medway, Brighton and Hove, Portsmouth, Southampton and the Isle of Wight.

**It also covers the following Counties:** Cornwall and the Isles of Scilly, Devon, Dorset, East Sussex, Gloucestershire, Hampshire, Kent, Somerset, Surrey, West Sussex and Wiltshire.

## **LONDON REGION**

HM Courts & Tribunals Service  
First-tier Tribunal (Property Chamber) Residential  
Property, 10 Alfred Place, London WC1E 7LR

**Telephone:** 020 7446 7700

**Fax:** 01264 785 060

**Email address:** [London.RAP@justice.gov.uk](mailto:London.RAP@justice.gov.uk)

DX 134205 Tottenham Court Road 2

**This office covers all the London boroughs.**

The Ministry of Justice and HM Courts and Tribunals Service processes personal information about you in the context of tribunal proceedings.

For details of the standards we follow when processing your data, please visit the following address <https://www.gov.uk/government/organisations/hm-courts-and-tribunals-service/about/personal-information-charter>

To receive a paper copy of this privacy notice, please call 0300 123 1024/ Textphone 18001 0300 123 1024.



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

**Case reference** : **LON/00BK/LDC/2024/0030**

**Properties** : **Londonwide Energy-Peabody Trust,  
London, NW1**

**Applicant** : **Ms Samantha Dhanilall - Peabody Trust**

**Respondents** : **Long residential leaseholders - subject  
to communal electricity and gas  
supplies**

**Type of application** : **To dispense with the requirement to  
consult leaseholders about a long-term  
agreement for the supply of energy**

**Legal Officer** : **Marsha Phillips**

**Date of directions** : **20 February 2024**

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**DIRECTIONS ON AN APPLICATION UNDER SECTION 20ZA OF  
THE LANDLORD AND TENANT ACT 1985**

The parties may agree between themselves any reasonable change to the dates in these Directions EXCEPT for the date of sending the bundles and the hearing date/s.

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**Communicating with the Tribunal**

- Unless directed otherwise, all communications to the tribunal, including the filing of documents and bundles, should be by **email ONLY**, attaching a letter in Word format. Emails must be sent to [London.RAP@justice.gov.uk](mailto:London.RAP@justice.gov.uk) and all communications must be copied to the other party or parties at the same time. The attachment size limit is 36MB. Larger files should be uploaded to a secure file sharing website and a web link provided.
- If a party does not have email, access to the Internet and/or cannot prepare digital documents, they should contact the case officer about alternative arrangements.

- Documents prepared for the tribunal should be easy to read. If possible, they should be typed and use a font-size of not less than 12.

### **Background to the Application**

- (A) The Applicant landlord seeks dispensation under section 20ZA of the Landlord and Tenant Act 1985 from all/some of the consultation requirements imposed on the landlord by section 20 of the 1985 Act<sup>1</sup>.
- (B) The Applicant intends to enter into a contract for the supply of electricity and gas.
- (C) The contract is a Qualifying Long-Term Agreement ('QLTA') to which section 20 of the 1985 Act and the Service Charges (Consultation Requirements) (England) Regulations ('the 2003 Regulations') applies.
- (D) The Applicants contend that they believe could obtain a longer term of gas and electricity, by taking advantage of more competitive energy prices during the summer months. The Applicants seek dispensation from compliance with the consultation requirements in the 2003 Regulations, to secure best value for the new energy contract.
- (E) The only issue for the Tribunal is whether it is reasonable to dispense with the statutory consultation requirements. **This application does not concern the issue of whether any service charge costs will be reasonable or payable.**

### **DIRECTIONS**

1. The Applicant landlord must by **22 March 2024**:
  - Write to each of the leaseholders and to any residential sub-lessee and to any recognised residents' association concerned by email, hand delivery or first-class post, setting out the following:
    - (a) Informing them of the application;
    - (b) Advising them that a copy of the application (**excluding** any respondents' telephone numbers or email addresses, or any

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<sup>1</sup> See the **Service Charges (Consultation Requirements) (England) Regulations 2003 (SI 2003/1987)**

separate list of respondents' names and addresses), statement of case, supporting documents and a copy of these directions will be available on the applicant's website, advising them of the URL address, and notifying them that any response to the application should be made by **5 April 2024**;

(c) Informing the leaseholders that if they wish to receive a printed copy of the application and these directions they should write to the applicants, who will then send printed copies (again, (**excluding** any respondents' telephone numbers or email addresses, or any separate list of respondents' names and addresses));

(d) Advise the leaseholders that as the application progresses additional documents will be added to the website, including the final decision of the tribunal, stating clearly that the final decision is likely to be uploaded on or after **28 June 2024**.

- Confirm to the tribunal by email that this has been done and stating the date(s) on which this was done.

2. Those leaseholders who oppose the application must by **5 April 2024** :

- Complete the attached reply form and send it by email to the tribunal **Long residential leaseholders in the County and London Borough subject to communal electricity [and gas] supplies**; and
- Send to the Applicant landlord, by email or by post, a statement in response to the application with a copy of the reply form. They should send with their statement copies of any documents upon which they wish to rely.

3. The Applicant/landlord may send to the Respondents/leaseholders a brief reply to any statements in opposition received, by **24 May 2024**

4. The Applicant landlord must by **31 May 2024**:

- Prepare a digital, indexed and paginated Adobe PDF bundle of all relevant documents for use in the determination of the application, containing all of the documents on which the Applicant landlord relies, including the application form, these and any subsequent directions, copies of any replies from the leaseholders and any relevant correspondence with the tribunal;
- Upload a copy of the bundle to their website;
- Write to each of the leaseholders who have sent a reply form to oppose the application, by email and/or post, providing them with a link to

the uploaded bundle or, if they request one, a paper copy of the bundle;

- Also send an email to the tribunal at [London.Rap@justice.gov.uk](mailto:London.Rap@justice.gov.uk) with a similar link to the uploaded bundle, that can be downloaded by the tribunal. The subject line of the email must read: "BUNDLE FOR PAPER DETERMINATION: [case reference number]".

## Decision

5. The tribunal will decide the application during the seven days commencing **10 June 2024** based on the documents.
6. However, any party may request a hearing. Any such **request should be made by 3 June 2024**, giving an indication of any dates to avoid. The hearing will have a time estimate of two hours, but a party should notify the tribunal if that time estimate is insufficient.
7. If a hearing is requested:
  - It shall take place on **a date to be confirmed as a face to face hearing, at 10 Alfred Place, London WC1E 7LR**, making use of the electronic documents received. The parties may if they wish (but are not obliged to) provide the tribunal and the other parties with a concise written summary of their case (referred to as a “skeleton argument”) **three days** before the date of the listed hearing.
  - A party who is intending to rely upon oral witness evidence at a hearing must provide the witness with a copy of the hearing bundle for use at the hearing.
  - Parties may wish to print out a copy of the digital hearing bundle(s) for use at the hearing. The tribunal will be using the digital hearing bundles provided, unless it directs otherwise.
  - Any party may request, from another party, a physical paper copy of a hearing bundle relied upon by that party (this must be provided, free of charge, within seven days of the request).
  - **Evidence from Abroad: Any party or witness.** If you or your witness intends to give oral evidence at the hearing from somewhere outside of the United Kingdom, you must:
    - 1) Follow the guidance provided in the Guidance Note for Parties: Giving Evidence from Abroad, which can be **obtained from the Tribunal’s case officer.**
    - 2) Notify the Tribunal by email to [London.Rap@justice.gov.uk](mailto:London.Rap@justice.gov.uk), within 5 working days of receipt of these Directions, to confirm that you or your witness intends to apply to give evidence from abroad, confirming:
      - (a) the matters set out in paragraph 7 of the Guidance Note, **and**

(b) the witness's citizenship or permitted residence status in the country in question.

Failure to follow the Guidance is likely to result in you or your witness being unable to give oral evidence from abroad.

8. The tribunal will send a copy of its eventual decision to the representative of every represented leaseholder and to any unrepresented leaseholders, who have completed and returned the reply form attached to these directions.
9. Furthermore, the Applicant must either send a copy of the tribunal's decision and appeal rights to all leaseholders, or upload a copy of the tribunal's decision and appeal rights on their website, if they have one, or on a web-based document storage site **within 7 days of receipt** and shall maintain it there for at least 3 months, with a sufficiently prominent link to both on their home page, or (if longer) until the new contract is entered into.

### **Applications**

10. Applications for further directions, interim orders, variations of existing directions, or a postponement of the final hearing/determination must be made using form Order 1<sup>2</sup>.

### **Non-Compliance with Directions**

11. If the **applicant** fails to comply with these directions the tribunal may **strike out** all or part of their case pursuant to rule 9(3)(a) of the Tribunal Procedure (First-tier Tribunal) (Property Chamber) Rules 2013 ("the 2013 Rules").
12. If the **respondent** fails to comply with these directions the tribunal may bar them from taking any further part in all or part of these proceedings and may determine all issues against it pursuant to rules 9(7) and (8) of the 2013 Rules.

**Name: Marsha Phillips -Legal Officer      Date: 20 February 2024**

### **Attached: Reply Form for Leaseholders**

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<sup>2</sup> Form Order 1 is available at <https://www.gov.uk/government/publications/ask-the-first-tier-tribunal-property-chamber-for-case-management-or-other-interim-orders>



|                        |   |
|------------------------|---|
| <b>Case Reference:</b> | <b>LON/00BK/LDC/2024/0030</b>                       |
| <b>Property:</b>       | <b>Londonwide Energy-Peabody Trust, London, NW1</b> |

**ONLY COMPLETE AND RETURN THIS FORM IF YOU OBJECT TO THE APPLICATION**

If you do object please complete and return this form to:

The First-tier Tribunal Property Chamber (Residential Property) **by email** to:  
[London.RAP@justice.gov.uk](mailto:London.RAP@justice.gov.uk)

**And** send a copy to the landlord’s representative:

Name: Ms Samantha Dhanilall - Peabody Trust  
 Address: 45 Westminster Bridge Road, London, SE1 7JB  
 Email address: [Samantha.Dhanilall@peabody.org.uk](mailto:Samantha.Dhanilall@peabody.org.uk)  
[section20@peabody.org.uk](mailto:section20@peabody.org.uk)

|   | Yes                      | No                       |
|---|--------------------------|--------------------------|
| Have you sent a statement in response (as per direction 2) to the landlord?       | <input type="checkbox"/> | <input type="checkbox"/> |
| Do you wish to request an oral hearing?   | <input type="checkbox"/> | <input type="checkbox"/> |
| Name address of any spokesperson or representative appointed for the leaseholder: |                          |                          |

**Please also complete the details below:**

|  |  |
|--|--|
| <b>Date:</b>                                       |  |
| <b>Signature (can be digital):</b>                 |  |
| <b>Print Name:</b>                                 |  |
| <b>Address of affected property:</b>               |  |
| <b>Your correspondence address (if different):</b> |  |
| <b>Telephone:</b>                                  |  |
| <b>Email:</b>                                      |  |



HM Courts  
& Tribunals  
Service

**Property Chamber  
London Residential Property  
First-tier Tribunal**

10 Alfred Place, London, WC1E 7LR  
Telephone: 020 7446 7700  
Facsimile: 01264785060  
E-mail: London.RAP@justice.gov.uk  
DX: 134205 Tottenham Court Road 2

Direct Line:

---

Ms Samantha Dhanilall  
Peabody Trust  
45 Westminster Bridge Road  
London  
SE1 7JB

Your ref:  
Our ref: LON/00BK/LDC/2024/0030

Date: 26 March 2024

---

Dear Ms Dhanilall,

**RE: Landlord & Tenant Act 1985 - Section 20ZA)**

**PREMISES: Londonwide Energy-Peabody Trust, London, NW1**

The tribunal has received a reply form from a leaseholder requesting a hearing. The tribunal has therefore cancelled the paper determination w/c 10 June and the case is now listed for a **face to face** hearing on **Friday 14 June at 10.00 am** at 10 Alfred Place, London, WC1E 7LR.

The applicant must inform all leaseholders of the change.

Yours sincerely,

**Ms Sandra Strachan  
Case Officer**

bcc: 3 Leaseholders who oppose application

19 March 2024

«TCY\_CORRESPOND\_NAME»  
«CONTACT\_ADR\_LINE\_1»  
«CONTACT\_ADR\_LINE\_2»  
«CONTACT\_ADR\_LINE\_3»  
«CONTACT\_ADR\_LINE\_4»  
«CONTACT\_ADR\_LINE\_5»  
«CONTACT\_ADR\_LINE\_6»

Dear «TCY\_CORRESPOND\_NAME»

### **Energy Supply Agreements**

**Property Address: «PROP\_ADR1» «PROP\_ADR2» «PROP\_ADR3» «PROP\_ADR4»  
«PROP\_ADR5» «PROP\_ADR6»**

We're getting new energy contracts to supply gas and electricity to the common areas of your building and estate.

In December 2023, we let you know that we'd be entering into new contracts soon. We explained that we wouldn't be able to do the full 30-day consultation, as we'd have a short window to accept a good deal when it became available.

### **What's happening now?**

We've applied to the First Tier Tribunal to consider our request to skip the full consultation process. They've acknowledged our application and given us some directions that we need to share with you.

You can view our application and the tribunal's directions on our website at <https://www.peabody.org.uk/communal-energy-supply>

### **Respond by 5 April 2024**

If you'd like to respond to the application, please do so by 5 April 2024.

### **Get printed copies**

If you'd like printed copies of the application and directions, email [section20@peabody.org.uk](mailto:section20@peabody.org.uk) or write to us at: Peabody, 45 Westminster Bridge Road London SE1 7JB

### **What happens next?**

We'll add more documents to the website as the application progresses, including the tribunal's final decision (likely on or after 28 June 2024).

Yours sincerely

Samantha Dhanilall  
**Leasehold Compliance Lead**

## Objection 1 - 39 Brockwell Place

**From:** Ian Baker | MGBLAW | London <[ian.baker@mgb.law](mailto:ian.baker@mgb.law)>

**Sent:** Wednesday, 20 March 2024 17:41

**To:** London RAP <[London.Rap@Justice.gov.uk](mailto:London.Rap@Justice.gov.uk)>

**Cc:** Trevor Roberts <[Trevor.Roberts@peabody.org.uk](mailto:Trevor.Roberts@peabody.org.uk)>; Louis Dowd <[Louis.Dowd@bevanbrittan.com](mailto:Louis.Dowd@bevanbrittan.com)>

**Subject:** LON/00BK/LDC/2024/0030

Dear Sirs

As Solicitors for [REDACTED] of 39 Brockwell Place, long lessees of a subject property, I write to formally object to this Application.

Peabody and its successors in title are in blatant breach of lease and statutory service charge legislation.

They have ignored and failed to reply to protocol correspondence.

I attach a copy of my letter of August 2023 – still not formally replied to despite Peabody instructing Solicitors months ago.

Their Solicitors Bevan Brittan have failed to respond substantively.

This PAP letter sets out:

1. Defective lease
2. Issues with charging service charges based on communal property holdings, not just the subject block which is a breach of lease and statutory provisions. **This is exactly why the subject Application is flawed and should be rejected.**

This followed similar substantive correspondence to Peabody and its predecessors in title which can be supplied.

Until the lease defects are remedied and unlawful Statutory notices recalled and compensation given no such Application should be approved.

Peabody and its Solicitors copied in.

Yours faithfully

[REDACTED]

## Landlords Response

**From:** Samantha Dhanilall  
**Sent:** Friday, May 24, 2024 1:35 PM  
**To:** [REDACTED]  
**Cc:** London RAP <London.RAP@justice.gov.uk>  
**Subject:** RE: LON/00BK/LDC/2024/0030

Dear [REDACTED]

I write in reply to your objections to Peabody's dispensation application

I acknowledge that there is an issue with your particular lease which is being dealt with separately with Peabody's solicitors.

Peabody's application is not in regards to reasonableness of charges and whether they are payable, it is in regards to dispensation from S20 consultation requirements for the reasons stated in our application form.

Kind regards

**Samantha Dhanilall MTPI**  
**Regional Home Ownership Manager – North West London | Peabody**

Email: [samantha.dhanilall@peabody.org.uk](mailto:samantha.dhanilall@peabody.org.uk)  
Peabody, 45 Westminster Bridge Road, London SE1 7JB  
[peabody.org.uk](http://peabody.org.uk) | Follow us on [Facebook](#) and [LinkedIn](#)

## Objection 2 – 74 Owens Way

**From:** [REDACTED]  
**Sent:** Thursday, April 4, 2024 9:23 PM  
**To:** London.RAP@justice.gov.uk; Samantha Dhanilall <Samantha.Dhanilall@peabody.org.uk>;  
Section20 <Section20@peabody.org.uk>  
**Subject:** Objection to LON/00BK/LDC/2024/0030

Reference: **LON/00BK/LDC/2024/0030**

### **To dispense with the requirement to consult leaseholders about a long-term agreement for the supply of energy**

Dear Ms Phillips,

I object to dispensing with the requirement to consult with leaseholders on this basis: the Housing Association has not previously found the cheapest arrangement for the supply of communally used electricity. This is partly because they have not considered the fact that the amount of communal energy used by each household is very small. Consequently the connection charge makes up a disproportionately large part of the total charge. I've asked Ms Dhanilall for confirmation that this will be taken into account and that suppliers providing zero/low cost connections with higher unit charges will be considered.

As I've had no response about this so far from Ms Dhanilall or any other representative of Peabody I'm formally objecting to dispensing with the requirement to consult leaseholders.

Yours sincerely,

[REDACTED]  
74 Owens Way  
Oxford, OX4 2GN

[REDACTED]

## Landlords Response

**From:** Samantha Dhanilall

**Sent:** Friday, May 24, 2024 2:03 PM

**To** [REDACTED]

**Cc:** London RAP <London.RAP@justice.gov.uk>

**Subject:** RE: Objection to LON/00BK/LDC/2024/0030

Dear Mr Scrase

I write in response to your objection to Peabody's dispensation application.

We have noted your comments in relation to your property and its energy consumption.

Peabody will be appointing an energy broker who will source the best available energy deals that cover our entire property portfolio.

Kind regards

**Samantha Dhanilall MTPI**

**Regional Home Ownership Manager – North West London | Peabody**

Email: [samantha.dhanilall@peabody.org.uk](mailto:samantha.dhanilall@peabody.org.uk)

Peabody, 45 Westminster Bridge Road, London SE1 7JB  
[peabody.org.uk](http://peabody.org.uk) | Follow us on [Facebook](#) and [LinkedIn](#)

5 April 2024

**Tribunal ref:** LON/00BK/LDC/2024/0030

**Index of documents**

| <b>Tab No.</b>              | <b>Page No.</b> | <b>Document name</b>                                |
|-----------------------------|-----------------|---|
| 1                           | 1               | Reply form  |
| 2                           | 2 - 3           | Statement of case                                   |
| <b>Supporting documents</b> |                 |   |
| 3                           | 4 - 6           | Residents scrutiny panel report (relevant extract)  |
| 4                           | 7               | Energy wholesale chart – 2012 to 2024 (Electricity) |



|                        |   |
|------------------------|---|
| <b>Case Reference:</b> | <b>LON/00BK/LDC/2024/0030</b>                       |
| <b>Property:</b>       | <b>Londonwide Energy-Peabody Trust, London, NW1</b> |

**ONLY COMPLETE AND RETURN THIS FORM IF YOU OBJECT TO THE APPLICATION**

If you do object please complete and return this form to:

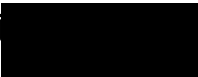
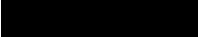

The First-tier Tribunal Property Chamber (Residential Property) **by email** to:  
[London.RAP@justice.gov.uk](mailto:London.RAP@justice.gov.uk)

**And** send a copy to the landlord's representative:

Name: Ms Samantha Dhanilall - Peabody Trust  
 Address: 45 Westminster Bridge Road, London, SE1 7JB  
 Email address: [Samantha.Dhanilall@peabody.org.uk](mailto:Samantha.Dhanilall@peabody.org.uk)  
[section20@peabody.org.uk](mailto:section20@peabody.org.uk)

|   | Yes                                 | No                                  |
|---|-------------------------------------|-------------------------------------|
| Have you sent a statement in response (as per direction 2) to the landlord?       | <input checked="" type="checkbox"/> | <input type="checkbox"/>            |
| Do you wish to request an oral hearing?   | <input type="checkbox"/>            | <input checked="" type="checkbox"/> |
| Name address of any spokesperson or representative appointed for the leaseholder: | N/A                                 |                                     |

**Please also complete the details below:**

|  |   |
|--|---|
| <b>Date:</b>                                       | 3 April 2024  |
| <b>Signature (can be digital):</b>                 |  |
| <b>Print Name:</b>                                 |  |
| <b>Address of affected property:</b>               | 19 Bicknor House<br>Pembury Road, London E5 8LQ                                     |
| <b>Your correspondence address (if different):</b> |   |
| <b>Telephone:</b>                                  |   |
| <b>Email:</b>                                      |  |

5 April 2024

## Statement of case – Leaseholder

**Re:** Application for dispensation

**Tribunal Ref:** LON/00BK/LDC/2024/0030

**Applicant:** Peabody Trust

1. In response to Peabody’s (“the Landlord”) application for dispensation from the consultation process, based on the information provided so far, I do not think Peabody should be granted dispensation because leaseholders will be deprived of the opportunity to be involved in determining the scope of the agreement, including the broker’s remuneration (“the relevant prejudice”).
2. Failing the above, it should be granted with conditions. This is essential to ensure leaseholders are not exposed to paying higher energy bills than necessary, without a realistic chance of reversing it at the tribunal/county court.
3. Summary of conditions for dispensation:
  - a) Cost/benefit analysis provision or commissioned.
  - b) Broker’s core duties provided and remuneration disclosed.
  - c) Price cap guarantee or reference energy unit price provided.
  - d) Duration of initial contract should be shortened and any option to extend excluded.

#### 4. Cost/Benefit Analysis

Peabody has not carried out or shared a cost/benefit analysis with leaseholders to demonstrate the benefits of this procurement method or the need for its extension. This burden of proof lies with Peabody as per – **Daejan Investments Ltd v Bensons & Ors [2013] UKSC 14** at [67].

It should also be noted, that leaseholders must not be charged more than necessary, even for essential services provided to an acceptable standard – Section 19(1)(a) of the Landlord and Tenants Act 1985. This was echoed in **Daejan** at [42].

#### 5. Broker’s duties and remuneration

There is insufficient information on how the energy broker provides value under this arrangement. The duties listed in the application form to be discharged by the broker, are general administrative duties (invoice validation, accounts reconciliation etc.), that we expect Peabody to perform as part of its service charge management duties.

- a) Whilst I cannot ascertain if this energy broker is involved, it is a fact that the invoice validation duties of some the Landlord’s contractors (including Peabody itself) have been poor in recent years and has resulted in leaseholders being overcharged.
- b) What measures will Peabody put in place, to ensure the invoice validation duties under this contract do not result in the detrimental outcome that leaseholders have been experiencing in recent years? - See extract from the **Resident Scrutiny Panel Report compiled in June 2022 – Findings from Staff (point 5)**.

- c) I struggle to identify the broker's core purpose in this arrangement. It is unlikely the broker can predict future energy prices with sufficient accuracy, to deliver consistent useful value or price cuts to leaseholders, if any value at all.

Before departing this point, it is essential that Peabody disclose the additional costs that are normally added to the energy unit price to compensate the broker under this type of arrangement (the commission). The comment in the dispensation application form - "*no brokerage costs incurred by Peabody under the broker agreement will be recharged to leaseholders*" is potentially misleading. For clarity, is Peabody going to absorb the full broker's remuneration and demonstrate it?

Transparency and accountability is the essence of the consultation process hence remuneration disclosure should be extracted from Peabody.

#### 6. Price cap guarantee or reference benchmark

How will value be measured or secured under this arrangement?

As a suggestion, a reference unit price with a ceiling should be considered ("the benchmark") as part of the conditions to grant dispensation. The benchmark used must be reasonable and easily verifiable by all stakeholders.

Alternatively, Peabody should be made to guarantee an acceptable energy price cap for the duration of the contract as per **Daejan** at [71]. This would serve as compensation for the Landlord's indulgence for dispensation.

This point is essential, otherwise, it will be impossible for leaseholders to adduce comparable quotes at a tribunal if they decide to challenge the Landlord's energy costs in future.

#### 7. Duration of contract

Considering the price volatility nature of the energy market, correctly identified by the Landlord, a contract extending over 5 years is imprudent and should be avoided. A shorter duration (2-years maximum) should be considered, until energy prices have returned to their historical range. Also, the option to extend the contract after the initial period should be shelved for now, until there is an obvious benefit to extend the contract.

In addition, locking in a price at the current elevated levels is concerning and potentially detrimental because we may be locking in an unfavourable price for longer than desired. (For example – average price in **May 2020 – 24.01** GBP/MWh and currently, **January 2024 - 73.34** GBP/MWh. See attached graph - Ofgem). A similar elevation in price is observed for gas supplies.

#### 8. Conclusion

Finally, I am of the view that Peabody's application is driven more by convenience than a desire to secure value for leaseholders. This is not fair dealing and should be moderated with the aforementioned conditions as per **Daejan** at [67] and [68]; particularly, the request for a price cap.

John Bakrin

# RESIDENTS SCRUTINY PANEL

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SERVICE CHARGES FINDINGS REPORT:

## RESIDENTS' EXPERIENCES OF PEABODY SERVICE CHARGES

JUNE 2022

FINAL VERSION



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## ABBREVIATIONS

PAT Property Accounts Team

LH/SOs Leaseholders and Shared Owners

RA Residents Association

TRA Tenant Resident Association

FG Focus Group

EOD The preliminary stage of a resident complaint

## 1.0 INTRODUCTION

The Scrutiny Panel is an independent group of volunteer residents from all tenures who look at Peabody's resident-facing services. The Panel undertakes reviews of individual services and makes evidence based recommendations to Peabody's Executive Committee and Board.

The Scrutiny Panel chose to look at Service Charges because they have become a growing issue for many residents. We undertook the review between March 2021 and October 2021. We thank all the residents, TRAs and staff members who gave their time and help to our survey. We also thank the Resident Involvement team for their help and support.

The Report was submitted to management in December 2021. In January 2022, following an initial management response, a reference was added to include other management teams sharing responsibility for service charges. In May 2022 Appendix 7.2 was added to define the accuracy of the online survey after it had been queried by management. We received the management response to the report recommendations in June 2022.

## 4.0 FINDINGS FROM STAFF

The Scrutiny Panel interviewed members of staff involved with service charges and the Head of the Team, who also responded to further written enquiries from the Panel.

1. The Panel were surprised to learn that the PAT had only 12 staff dealing with 66,000 properties compared with 100 staff in the Leasehold Collections Team. Since 2018 there has been some staff turnover in the Team and the number had reduced to 8 in July 2021 when we interviewed staff. All the staff we interviewed considered the low staff numbers were a problem for how well the team could operate. One said they were **'grossly understaffed.'** Some new staff were joining but they were inexperienced putting further strain on the system and current staff.
2. The Panel learned that most of the staff interviewed considered that there had been problems with new accounting software. This accounting software had been in use at Family Mosaic and was being applied to all Peabody properties. Before the merger Peabody had used Excel. There had been problems entering data and coding into the new software and there was a view that it was not ready for use but they were 'told to start using it anyway'. There was a view that this contributed to errors and then more enquiries from residents - which increased the workload.
3. Actual service charge booklets were sent out 6 months late in 2020 and were late again in 2021. Clearly reduced staff numbers contributed to delays but most of the staff interviewed considered that the new accounting software was at fault – that it 'underperformed' and was 'not ready for use'. Peabody staff reported that it was harder to locate and identify data problems within the new software than in Excel.

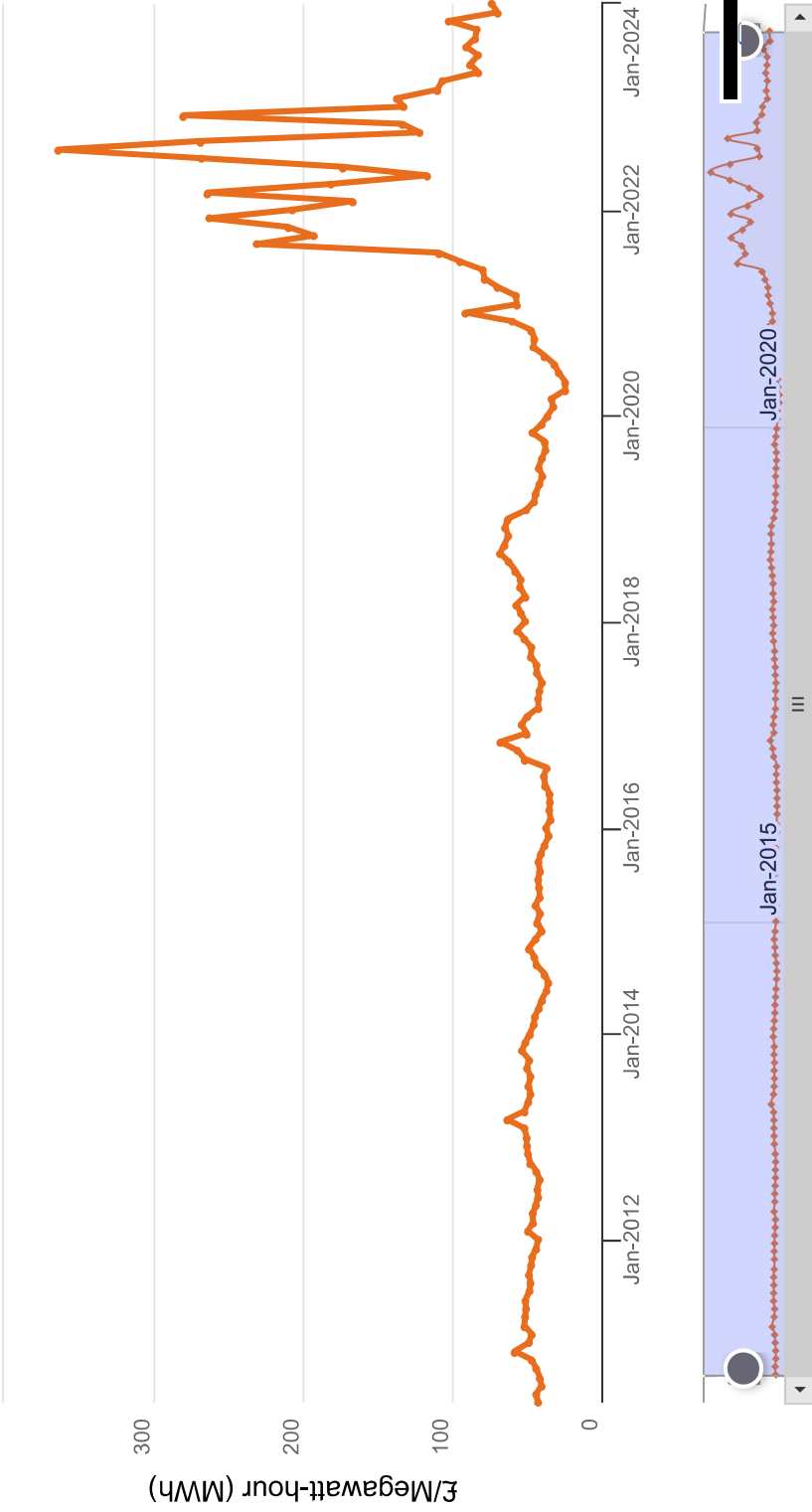
*“Senior management rushed the booklet to get it out”*

*– Peabody staff*

4. Peabody staff spent much of their time – one quoted 80% - dealing with resident queries over service charges. There had been 2,458 queries in the preceding year. They pointed out that when a resident discovers one error in the charges they tend to question many more of the charges, greatly increasing the staff workload.
5. The Property Accounts Team does not take responsibility for checking invoices from outside contractors before recharging to residents. The PAT assumes they have been checked and verified by the relevant contract managers, at the 'front end', before being passed to them. Consequently, when residents query charges the PAT staff have to raise the queries with the other Peabody departments concerned. PAT staff reported that other Peabody departments can be very slow to respond to queries that they raise.

*“The front end should be accurate” – Peabody staff*

### Electricity Prices: Day Ahead Baseload Contracts - Monthly Average (GB)



Information correct as of: March 2024

## Landlords Response

**From:** Samantha Dhanilall

**Sent:** Friday, May 24, 2024 4:41 PM

**To:** 'John B' <jbakrin@googlemail.com>

**Cc:** London RAP <London.RAP@justice.gov.uk>

**Subject:** RE: Response to application for dispensation (Ref: LON/00BK/LDC/2024/0030)

Dear Mr Bakrin

I write further to your objection to the dispensation application. Please see our comments to the points you have raised.

1. Peabody have applied for dispensation as we want to be able to source the cheapest energy supply agreements possible.

The contract applies to the communal energy costs of the circa 104, 000 properties that we manage, a very small proportion of that, (14,055) apply to leasehold properties.

Peabody will therefore be covering majority of the costs, i.e. costs apportioned to social housing units, so it is in our best interest to source the best deal possible.

2. Peabody certainly wishes to have the ability to fix portions of the energy requirement when advantageous; but also wishes to retain the ability to risk manage its market exposure proactively on behalf of the portfolio. This would be done in conjunction with our energy consultant/broker. The consultant/broker is responsible for the tender and appointment of a supplier as well as day to day management of the supplier queries; validating bills, budgets, and designing the energy risk management and purchasing strategy, in addition to trading activity and market analysis. Their cost is competitively evaluated, fixed and transparent. This represents a fraction of a percent of the unit rate.

Peabody do not control the energy markets and are unable to provide a price guarantee, this is not provided now and should not be expected in the future.

The standard period of dispensation for energy supply agreements is 60 months, this has been sought and granted for numerous housing associations on the same basis as we are requesting it.

While the energy supply agreement may be up to 60 months, this does not mean that 100% of the volume will be acquired at the point of contracting.

3. The efficacy of long-term risk managed flexible supply agreements is well established, documented and understood by the UK Energy supply chain and consumers. It is the reason that the types of products and services offered by suppliers increase in tiers of flexibility for higher consuming customers.



4. A Risk Management Strategy would enable us to set price triggers, caps and stop losses to actively protect the portfolio against volatility beyond a 12 month fixed period. It is a proactive approach to the volatile energy market. Brokers costs are added to the energy unit price to compensate the broker under this type of arrangement, there isn't any separate or additional costs/commissions that are recharged to leaseholders.

a) Peabody & its broker are unable to control directly the efficacy and accuracy of a suppliers billing output; however, we do take a proactive approach to addressing the issues when they arise. Significant daily effort is made by Peabody, its suppliers and consultancy to keep the portfolio data clean and accurate to minimise billing issues.

We agree that particularly since the EBDS rebilling, supplier consolidation and system changes which have been prevalent industry wide; that the last couple of years have been extremely challenging.

The answer to this is not to reduce the amount of resource, expertise, and support around the account, which is in part why we have chosen to work with a consultancy/broker.

b) We will continue to work with and refine our broker to improve the way suppliers are selected and managed on contract.

c) Energy brokers are integral to many businesses.  
For an organisation to internally adopt the breadth of experience, software and commercial energy contracts would cost £ m's.

By working with an energy consultancy Peabody gains resource, expertise and market intelligence that maximises its ability to navigate an incredibly volatile marketplace and get it right.

An Energy brokers purpose is not to predict energy prices but give the customer the ability to predetermine how it would respond to market volatility; using a defined strategy.  
This cannot be done if you only have a 12-month contract.

6. The intention of Peabody is to obtain the best value for its leaseholders;  
Peabody should not be expected to assume liability for market volatility; which it does not control.

By utilizing a Purchase in Advance Strategy, Peabody will be able to provide price stability for each full year of the energy contract.

Performance can only be measured against the market and should be determined by comparing the prices achieved against the market high/mid/low points for the same period.

7. I think your comment incorrectly assumes that Peabody would acquire 100% of the volume for the full 5 years today, this is not the case as explained in the earlier points above.

I hope the above provides some clarity on what Peabody is trying to achieve.

Kind regards

**Samantha Dhanilall MTPI**  
**Regional Home Ownership Manager – North West London | Peabody**

Email: [samantha.dhanilall@peabody.org.uk](mailto:samantha.dhanilall@peabody.org.uk)

Peabody, 45 Westminster Bridge Road, London SE1 7JB  
**peabody.org.uk | Follow us on Facebook and LinkedIn**

|                        |   |
|------------------------|---|
| <b>Case Reference:</b> | <b>LON/00BK/LDC/2024/0030</b>                       |
| <b>Property:</b>       | <b>Londonwide Energy-Peabody Trust, London, NW1</b> |

**ONLY COMPLETE AND RETURN THIS FORM IF YOU OBJECT TO THE APPLICATION**

If you do object please complete and return this form to:

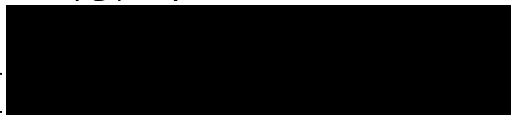
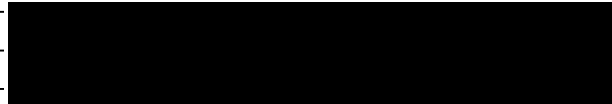
The First-tier Tribunal Property Chamber (Residential Property) **by email** to: [London.RAP@justice.gov.uk](mailto:London.RAP@justice.gov.uk)

**And** send a copy to the landlord's representative:

Name: Ms Samantha Dhanilall - Peabody Trust  
 Address: 45 Westminster Bridge Road, London, SE1 7JB  
 Email address: [Samantha.Dhanilall@peabody.org.uk](mailto:Samantha.Dhanilall@peabody.org.uk)  
[section20@peabody.org.uk](mailto:section20@peabody.org.uk)

|   | Yes                                 | No                       |
|---|-------------------------------------|--------------------------|
| Have you sent a statement in response (as per direction 2) to the landlord?       | <input checked="" type="checkbox"/> | <input type="checkbox"/> |
| Do you wish to request an oral hearing?   | <input checked="" type="checkbox"/> | <input type="checkbox"/> |
| Name address of any spokesperson or representative appointed for the leaseholder: | N/A                                 |                          |

**Please also complete the details below:**

|  |  |
|--|--|
| <b>Date:</b>                                       | 22/3/24  |
| <b>Signature (can be digital):</b>                 |  |
| <b>Print Name:</b>                                 |  |
| <b>Address of affected property:</b>               | 102 GALINGALE COURT<br>12 THAMES REACH<br>LONDON SE28 0FQ                            |
| <b>Your correspondence address (if different):</b> | /  |
| <b>Telephone:</b>                                  |  |
| <b>Email:</b>                                      |  |

**On Behalf of: The Applicant  
Name of witness: Richard Ellis  
Date: 21 May 2024**

**IN THE FIRST TIER TRIBUNAL**

**IN THE MATTER OF Section 20ZA Dispensation for Long  
Term Agreements for the supply of gas and electricity to  
Tenants and Leaseholders in the Greater London and  
surrounding counties**

**BETWEEN**

**(1) PEABODY TRUST  
(THE APPLICANT)**

**And**

**(2) THE LEASEHOLDERS OF THE 14,058  
PROPERTIES CHARGED FOR COMMUNAL GAS AND  
ELECTRICITY WITHIN THE AREAS OF GREATER  
LONDON AND SURROUNDING COUNTIES  
(THE RESPONDENTS)**

## WITNESS STATEMENT OF RICHARD ELLIS

I, Richard Ellis Director of Sustainability of Peabody Trust at 45 Westminster Bridge Road, London, SE1 7JB, **STATE AS FOLLOWS:**

1. I am the Director for Sustainability at Peabody Trust. I make this statement in support of the Application for dispensation of the consultation requirements imposed by Section 20 of the Landlord and Tenant Act 1985 (as amended) in respect of Long-Term Agreements for Gas and Electricity supply.
2. The facts and matters set out in this statement are within my own knowledge unless otherwise stated, and I believe them to be true. Where I refer to information supplied by others, the source of the information is identified; facts and matters derived from other sources are true to the best of my knowledge and belief.
3. The Applicant, Peabody Trust, merged with Catalyst Housing Group in April 2023 and manages approximately 104,000 properties. The intention is to enter into a new agreement with an energy broker and to use that broker to procure utility supply agreements.
4. In 2024 it was decided that it would be desirable for the Applicants to enter into new agreements with an energy broker and to use that broker to procure utility supply agreements. The Applicant is in the process of appointing a broker. In our application we had originally intended for the dispensation to be required for the new energy agreements from 1 October 2024, however, due to the delay in appointing a broker we now seek dispensation for the agreement to be entered into from October 2025. The agreement from October 2024 will be just under 12 months, therefore does not amount to a QLTA.
5. The Applicants are obliged to comply with Public Procurement Regulations. One aspect of this obligation is that a standstill period of ten days must be allowed between the notification of bidders of the decision to award the contract and signing the contract with the successful bidder. The energy market does not operate in this way as bids are requested and contracts signed within a four-hour period for a fixed price contract or otherwise by 4pm on the date issued. The only way to reconcile these two constraining obligations is to use a third party intermediary ("TPI").
6. The Applicants are in the process of procuring a contract with a TPI partnership with an initial period of 3 years with an option to extend by a further 2 years to provide expert utility consultancy and invoice validation services. Entering into this partnership will allow the Applicants to take the desired longer term, strategic approach in purchasing energy on behalf of its residents and business. The TPI will assist the Applicants in ensuring that the utility contracts we enter into are best value for our residents by using established trading practices and account management services. Their work will also assist us in making sure that the invoices we receive and pay are being charged at the correct contractual rates to avoid situations where our residents are being overcharged.

7. However, like any TPI, they will approach the marketplace to obtain bids from energy companies to supply gas and/or electric across all of the properties within Peabody Trust.
8. Due to the nature of the energy market the Applicants are unable to follow the formal Section 20 Consultation procedure in order to comply with the Public Procurement Regulations. The purpose of fixing a unit price for the supply of gas and electricity is to the benefit of all the Residents who will be able to take advantage of Peabody Trust's purchasing power and economies of scale. By using a TPI to buy gas and electricity through the wholesale energy market, the Applicants are complying with best practice.
9. The nature of the Long-Term Agreements mean that it is not reasonably practicable for the Applicants to give the required information at the notice of proposal stage of the consultation process and also to have regard to the Resident's observations as generally there has to be acceptance of prices offered in a small window of time. It is therefore not possible to act in the Resident's best interests as required by the Public Procurement Regulations whilst following the Section 20 Consultation procedure.
10. I can confirm that the Residents named as Respondents to this application have gas or electric supply for communal heating and/or electricity supply for communal lighting.
11. The Applicants completed their consultation with homeowners in December 2023. The letters advise Residents of the proposed dispensation application, the reasons behind it and the effect on the consultation process. A copy of the letter is included within the Applicants bundle.
12. All Residents were invited to comment on the proposed contract and the application. The Applicants received approximately 110 responses and have responded to all queries raised.
13. The Application for dispensation was lodged on 2 February 2024, with directions received on 20 February 2024. In compliance with the tribunal's directions, a letter was sent to residents on 19<sup>th</sup> March 2024 that the application had commenced and invited Residents to contact the Applicants should they wish to be supplied with a full printed copy of the application, directions, and its accompanying documents.

In addition to the above, the Applicant:

- Has Advertised the application, directions and notice of the hearing on its website and advised leaseholders that as the application progresses additional documents will be added to the website.
  - Will Publish the outcome of the application on its website and
  - Will Publish the outcome of the procurement exercise on its website.
15. I respectfully suggest that the Applicants are acting in line with best practice by managing the risk of dealing with the volatile nature of the energy markets. I also suggest that this proposal is in the best interest of all Residents.

**Statement of truth**

I believe that the facts stated in this witness statement are true.

A handwritten signature in black ink, appearing to read "Richard Ellis". The signature is written in a cursive style with a small dot at the end.

.....  
**Name: Richard Ellis**

DATED

28 March

2007

THE GOVERNORS OF THE PEABODY TRUST

AND



COUNTERPART

LEASE  
relating to

Peabody Estate  London SE24

Commencement Date : 1<sup>st</sup> January 2005  
Term : 125 years  
Expiry Date : 31<sup>st</sup> December 2129  
Rent : £250.00 per annum (and increasing) and Service Charge

GOODMAN DERRICK LLP

90 Fetter Lane, London EC4A 1PT, UK . DX 122 London . tel +44 (0)20 7404 0606 . fax +44 (0)20  
7831 6407  
Ref: GCM





**PRESCRIBED CLAUSE LEASE**

|  |  |
|--|--|
| <b>LR1 Date of lease</b>   | 28 March 2007  |
| <b>LR2 Title number(s)</b>   | <b>LR2.1 Landlord's title number(s)</b><br><i>Title number(s) out of which this lease is granted. Leave blank if not registered.</i><br>TGL157089  |
|  | <b>LR2.2 Other title numbers</b><br><i>Existing title number(s) against which entries of matters referred to in LR9, LR10, LR11 and LR13 are to be made.</i>   |
| <b>LR3 Parties to this lease</b><br><i>Give full names, addresses and company's registered number, if any, of each of the parties. For Scottish companies use a SC prefix and for limited liability partnerships use an OC prefix. For foreign companies give territory in which incorporated.</i>   | <b>Landlord</b><br><b>THE GOVERNORS OF THE PEABODY TRUST</b><br><b>45 Westminster Bridge Road London SE1 7JB</b>   |
|  | <b>Tenant</b><br><b>ROBERT JACKSON 29 Dawes Road Fulham London SW6</b>   |
|  | <b>Other parties</b><br>NONE<br><i>Specify capacity of each party, for example "management company", "guarantor", etc</i>  |
| <b>LR4 Property</b><br><i>Insert a full description of the land being leased or Refer to the clause, schedule or paragraph of a schedule in this lease in which the land being leased is more fully described. Where there is a letting of part of a registered title, a plan must be attached to this lease and any floor levels must be specified.</i> | In the case of a conflict between this clause and the remainder of this lease then, for the purposes of registration, this clause shall prevail.<br><b>The property described under the definition "the Flat" in Clause 1 of the Lease</b>                     |
| <b>LR5 Prescribed statements etc</b><br><i>In this lease includes a statement falling within LR5.1, insert under that sub-clause the relevant statement or refer to the clause, schedule or paragraph of a schedule in this lease which contains the statement. In LR5.2, omit or delete those Acts which do not apply to this lease.</i>                | <b>LR5.1 Statements prescribed under rules 179 (dispositions in favour of a charity), 180 (dispositions by a charity) or 196 (leases under the Leasehold Reform, Housing and Urban Development Act 1993) of the Land Registration Rules 2003.</b><br>Clause 11 |




|   |  |
|---|--|
|   | <p><b>LR5.2</b> This lease is made under, or by reference to, provisions of:<br/> Leasehold Reform Act 1967<br/> Housing Act 1985<br/> Housing Act 1988<br/> Housing Act 1996</p>  |
| <p><b>LR6</b> <u>Term for which the Property is leased</u><br/> Provide only the appropriate statement (duly completed) from the three options.<br/> NOTE: The information you provide, or refer to, here will be used as part of the particulars to identify the lease under rule 6 of the Land Registration Rules 2003.</p> | <p>From and including<br/> To and including <span style="float: right;">OR</span></p> <p>The term as specified in this lease at clause/schedule/paragraph <span style="float: right;">OR</span></p> <p>The term is as follows:<br/> 125 years from 1<sup>st</sup> January 2005</p> |
| <p><b>LR7</b> <u>Premium</u><br/> Specify the total premium, inclusive of any VAT where payable.</p>  | <p>£155,000</p>  |
| <p><b>LR8</b> <u>Prohibitions or restrictions on disposing of this lease</u><br/> Provide whichever of the two statements is appropriate. Do not set out here the wording of the provision.</p>   | <p>This lease does not contain a provision that prohibits or restricts dispositions. <span style="float: right;">OR</span></p> <p>This lease contains a provision that prohibits or restricts dispositions.</p>  |
| <p><b>LR9</b> <u>Rights of acquisition etc</u><br/> Insert the relevant provisions in the sub-clauses or refer to the clause, schedule or paragraph of a schedule in this lease which contains the provisions.</p>  | <p><b>LR9.1</b> Tenant's contractual rights to renew this lease, to acquire the reversion or another lease of the Property, or to acquire an interest in other land</p> <p>NONE</p>  |
|   | <p><b>LR9.2</b> Tenant's covenant to (or offer to) surrender this lease</p> <p>NONE</p>  |
|   | <p><b>LR9.3</b> Landlord's contractual rights to acquire this lease</p> <p>NONE</p>  |



|   |   |
|---|---|
| <p><b><u>LR10 Restrictive covenants given in this lease by the Landlord in respect of land other than the Property</u></b><br/> <i>Insert the relevant provisions or refer to the clause, schedule or paragraph of a schedule in this lease which contains the provisions.</i></p>  | <p>NONE</p>   |
| <p><b><u>LR11 Easements</u></b><br/> <i>Refer here only to the clause, schedule or paragraph of a schedule in this lease which sets out the easements.</i></p>  | <p><b><u>LR11.1 Easements granted by this lease for the benefit of the Property</u></b><br/><br/> Clauses 2(A)(1) – (5) inclusive</p>   |
|   | <p><b><u>LR11.2 Easements granted or reserved by this lease over the Property for the benefit of other property</u></b><br/><br/> Clauses 2(B) (1) – (5) inclusive</p>  |
| <p><b><u>LR12. Estate rentcharge burdening the Property</u></b><br/> <i>Refer here only to the clause, schedule or paragraph of a schedule in this lease which sets out the rentcharge.</i></p>   | <p>NONE</p>   |
| <p><b><u>LR13 Application for standard form of restriction</u></b><br/> <i>Set out the full text of the standard form of restriction and the title against which it is to be entered. If you wish to apply for more than one standard form of restriction use this clause to apply for each of them, tell us who is applying against which title and set out the full text of the restriction you are applying for.<br/> Standard forms of restriction are set out in Schedule 4 to the Land Registration Rules 2003.</i></p> | <p>The Parties to this lease apply to enter the following standard form of restriction [against the title of the Property] or [against title number]</p> <p>NONE</p>  |
| <p><b><u>LR14 Declaration of trust where there is more than one person comprising the Tenant</u></b><br/> <i>If the Tenant is one person, omit or delete all the alternative statements.<br/> If the Tenant is more than one person, complete this clause by omitting or deleting all inapplicable alternative statements.</i></p>  | <p>The Tenant is more than one person. They are to hold the Property on trust for themselves as joint tenants.<br/> OR<br/> The Tenant is more than one person. They are to hold the Property on trust for themselves as tenants in common in equal shares.<br/> OR<br/> The Tenant is more than one person. They are to hold the Property on trust</p> |



**PARTICULARS**

|  |  |
|--|--|
| London Borough:                          | Lambeth  |
| Landlord's title number:                 | TGL157089  |
| Landlord's property:                     | Peabody Trust Rosendale Road Estate  |
| Landlord (at the beginning of the term): | The Governors of the Peabody Trust   |
| Landlord's address:                      | 45 Westminster Bridge Road London SE1 7JB  |
| Tenant (at the beginning of the term):   |  |
| The Building Service Charge Percentage   | 7.14%  |
| The Estate Service Charge Percentage     | 0.33%  |
| The Premium                              | the sum of £155,000  |

NOTE: The words "Landlord" and "Tenant" set out above are the landlord and tenant of this lease at its commencement. However the landlord and tenant can change during the lease and may not be the same as those specified above as "Landlord" and "Tenant". In this lease they are referred to as "landlord" and "tenant" which includes the landlord or tenant if they change.





**1. Definitions**

The words in the first column below have a specific meaning which is set out in the second column below.

The expressions set out in the first column of the PARTICULARS have the meaning ascribed to them in the second column of the PARTICULARS and the PARTICULARS are incorporated into this lease.

|              |   |
|--------------|---|
| THE ESTATE   | The property known as The Peabody Trust<br>[redacted]<br>London SE24 being the land registered at the Land Registry under Title No. TGL157089 and whose boundaries are edged with a heavy black line on PLAN B.   |
| THE BUILDING | The building of which THE FLAT forms part known as Block A shown edged red on Plan B forming part of the Estate   |
| THE FLAT     | [redacted] on the Ground floor of THE BUILDING (indicated hatched black on PLAN A for location purposes) with its boundaries edged red on PLAN A,<br><br>and including:<br><ol style="list-style-type: none"><li>1. The windows of THE FLAT and their frames</li><li>2. The internal and external doors their frames and glass therein</li><li>3. The interior faces and plaster of the walls in and bounding THE FLAT</li><li>4. The entirety of the interior non structural walls</li><li>5. All heating water sanitary electrical and other apparatus within and solely serving THE FLAT</li><li>6. All CONDUITS which are in or serve THE FLAT and are enjoyed or used only for THE FLAT and not for OTHER FLATS in THE BUILDING</li><li>7. All fixtures and fittings (whether landlords or tenants) in or appurtenant to and solely for the use of THE FLAT</li><li>8. The floors floor coverings and floor boards but excluding the floor slab or joists and anything below them</li><li>9. The ceilings and the plaster of the ceilings but excluding the joists or slab or anything above the ceiling</li><li>10. The glass in all window frames and the internal fixtures and fittings of the windows</li><li>11. The surface of the floor of the balcony (if any)</li></ol> |

but excluding



12. The roof foundations and main structure of THE BUILDING
13. All external and load bearing walls
14. Any CONDUITS and Installations not enjoyed or used only for THE FLAT or OTHER FLATS
15. The structural parts of the balcony (if any)

THE PARTICULARS

The Particulars set out at the commencement of this Lease

OTHER FLAT(S)

Other flat(s) and dwellings in THE BUILDING or the Estate as applicable

BUILDING COMMON PARTS

all parts of THE BUILDING or facilities on THE BUILDING which are intended to be or are capable of being enjoyed or used by the tenant in common with the occupiers of OTHER FLATS in THE BUILDING including but without prejudice to the generality of the same the entrance halls (if any) landings staircases any communal aerials entry lobby and entry gates entry systems security devices communal water/space heating boilers lighting aerials masts and dishes

BUILDING SERVICE CHARGE

The Building Service Charge Percentage set out in the Particulars of the cost (whether incurred prior to the grant of this Lease or otherwise) of providing THE BUILDING SERVICES together with all professional fees and together with the cost of all contractors and/or employees (including any such people employed by the Landlord) incurred in carrying out such obligations and a reasonable fee for the management of the Landlord's duties under this Lease even if the management is carried out by the Landlord or its staff (whether imposed by this Lease or by law) including the reserve provided for in clause 4(H).

BUILDING SERVICES

the services set out in Schedule 2

ESTATE COMMON PARTS

all parts of THE ESTATE except THE FLAT and the OTHER FLATS which are either constructed or designated by the Landlord for the general use of the occupiers (or some of them) of THE ESTATE including but without prejudice to the generality of the same all security devices, gardens, landscaping areas, walls, hedges, fences, gates forecourts lighting parking spaces recreational sports areas and amenities caretakers accommodation storage areas footpaths roads entry systems refuse areas and bin stores staircases boilers heating equipment or bicycle stores but excluding the Building



|                       |  |
|-----------------------|--|
|                       | Common Parts and the common parts of other Blocks on the Estate equivalent to the Building Common Parts  |
| ESTATE SERVICE CHARGE | The Estate Service Charge Percentage set out in the Particulars of the cost (whether incurred prior to the grant of this Lease or otherwise) of providing the ESTATE SERVICES together with all professional fees and together with the cost of all contractors and/or employees (including any such people employed by the Landlord) incurred in carrying out such obligations and a reasonable fee for the management of the Landlord's duties under this Lease even if the management is carried out by the Landlord or its staff (whether imposed by this Lease or by law) including the reserve provided for in the clause 4(H) |
| ESTATE SERVICES       | the services set out in Schedule 3   |
| PREMIUM               | The Premium set out in the Particulars   |
| COMMON PARTS          | THE BUILDING COMMON PARTS and THE ESTATE COMMON PARTS  |
| CONDUITS              | Conduits, wires, cisterns, boilers, and chutes, (if any) and other means of conveyance for services such as electricity, water, gas, or the disposal of waste.   |
| SHARE(D)              | Share(d) with the landlord and with the tenants and occupiers of THE ESTATE and/or THE BUILDING .  |
| RENT                  | is the sum of £250.00 per annum increasing by the sum of £50.00 on each fifth anniversary of 1 <sup>st</sup> January 2005 during the TERM  |
| TERM                  | 125 years from the 1 <sup>st</sup> January 2005  |
| ACCOUNTING YEAR       | every Year of the TERM ending on 31st March or such other date as may be determined from time to time by the landlord and notified in writing to the tenant.   |
| SERVICE CHARGE        | the sum of THE ESTATE SERVICE CHARGE and the BUILDING SERVICE CHARGE   |
| STARTING DATE         | means the date of this Lease   |
| this lease            | means this deed.   |
| NOTICE/NOTIFY         | Notice/notify in writing.  |
| PLAN A                | means the plan marked "A" attached to this lease.  |



PLAN B

means the plan marked "B" attached to this lease

VISITOR

Anyone on THE ESTATE (including the BUILDING) with the permission of the tenant or of another lawful occupant of THE FLAT.

VAT

Value Added Tax or any similar tax which may replace the same.

### Letting

(A) In consideration of the payment by the Tenant to the Landlord of the PREMIUM (receipt of which the landlord acknowledges) and the RENT the landlord demises THE FLAT to the tenant for the TERM together with the following rights which are to be exercised with others having similar rights and therefore SHARED with other users of THE BUILDING;

(1) To use the COMMON PARTS for their designated purpose in conjunction with THE FLAT.

(2) (a) Of way on foot over those parts of the Common Parts as shall be designated or designed for pedestrian access and which afford access to and egress from THE FLAT and with or without vehicles over those parts of the Common Parts as shall be designated or designed for vehicular use and which afford access to and from the BUILDING.

(b) To use such gardens (if any) and other communal amenity areas (if any) on THE ESTATE as may from time to time subsist subject to compliance with all regulations laid down by the landlord in respect thereof.

Subject to the installation and operation of any controlled entry system to THE ESTATE and/or THE BUILDING.

(3) The support and protection for THE FLAT by OTHER FLATS and THE BUILDING as now exists.

(4) To enter other parts of THE BUILDING and the OTHER FLATS if it is necessary to perform the obligations of the tenant under this lease but in doing so causing as little disturbance as possible and making good any damage caused to the reasonable satisfaction of the landlord or any tenant and before doing so giving reasonable notice in writing except in an emergency.

(5) To use the CONDUITS passing through any OTHER FLAT THE BUILDING and THE ESTATE insofar as they supply THE FLAT.

(B) But there will be reserved back to the landlord for the benefit of the landlord and other occupiers of THE BUILDING and THE ESTATE the following rights:

(1) To use the CONDUITS passing through THE FLAT THE BUILDING and THE ESTATE subject to the persons exercising such rights contributing and paying on demand a fair proportion of the costs from time to time incurred in maintaining and repairing such CONDUITS.

(2) With surveyors or agents with or without workmen and others and with or without equipment at all reasonable times on notice (except in the case of emergency) to enter THE FLAT for the purpose of repairing any adjoining or neighbouring premises, OTHER FLATS, THE BUILDING AND THE ESTATE and for the purpose of maintaining repairing and replacing any jointly used





items structures insulation or other conveniences or the CONDUITS and in the case of the landlord for the purpose of carrying out the landlord's obligations under this lease or under other leases or in respect of other premises and OTHER FLATS in THE BUILDING or on THE ESTATE or the structure of which THE FLAT forms part.

- (3) To shelter and protection and support from THE FLAT for THE BUILDING, any adjacent premises, OTHER FLATS comprised in THE BUILDING and other buildings in THE ESTATE.
- (4) All such other rights and easements and quasi easements over THE FLAT THE ESTATE or THE BUILDING as belong to or are now enjoyed or intended to be enjoyed by other parts of THE ESTATE or any adjoining or neighbouring land.
- (5) The right of the landlord to agree with any adjoining or adjacent occupier variations in the boundaries of THE ESTATE (but not of THE FLAT) and to make variations to any rights of way or access over THE ESTATE or over any adjoining property and to any of the gardens communal amenity areas or any other communal facilities on THE ESTATE other than THE FLAT
- (6) To make reasonable rules or regulations for the proper administration and management of THE ESTATE and/or THE BUILDING or the occupation of THE FLAT.

#### **Tenant's Duties**

3. The tenant hereby agrees and covenants with the landlord that the tenant will:

(A) Pay:

(1) To the landlord, without deduction or set off :

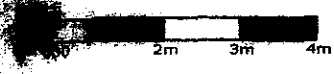
(a) The RENT (by Direct Debit if required by the Landlord) annually in advance on 1<sup>st</sup> April in each year the first such payment for the period from the STARTING DATE to the day before the next succeeding date for payment to be made on the STARTING DATE

(b) The SERVICE CHARGE (calculated as in clause 4(H)), paying

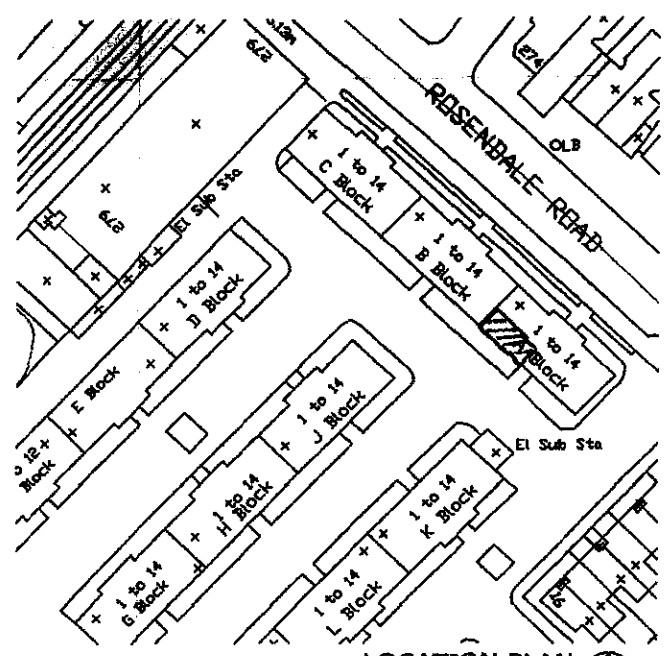
- On the execution of this lease, for each remaining day from the STARTING DATE until the end of the month after that in which the STARTING DATE falls 1/365th of the estimated SERVICE CHARGE for that current ACCOUNTING YEAR.
- And then, in advance on the first day of every month in every year one twelfth of the estimated SERVICE CHARGE for the current ACCOUNTING YEAR (adjusted by bringing forward any balance in the tenant's favour from the previous year or any unpaid sums from the previous years) or at such other intervals as shall be agreed with the landlord from time to time and if required by the Landlord by Direct Debit
- And each year, on receipt of the NOTICE (required by clause 4(H)(3)), any balance shown due.
- The landlord reserves the right to amend as often as may be necessary the estimated SERVICE CHARGE and adjust the monthly instalments accordingly so that the total monthly instalments will equal the revised



A



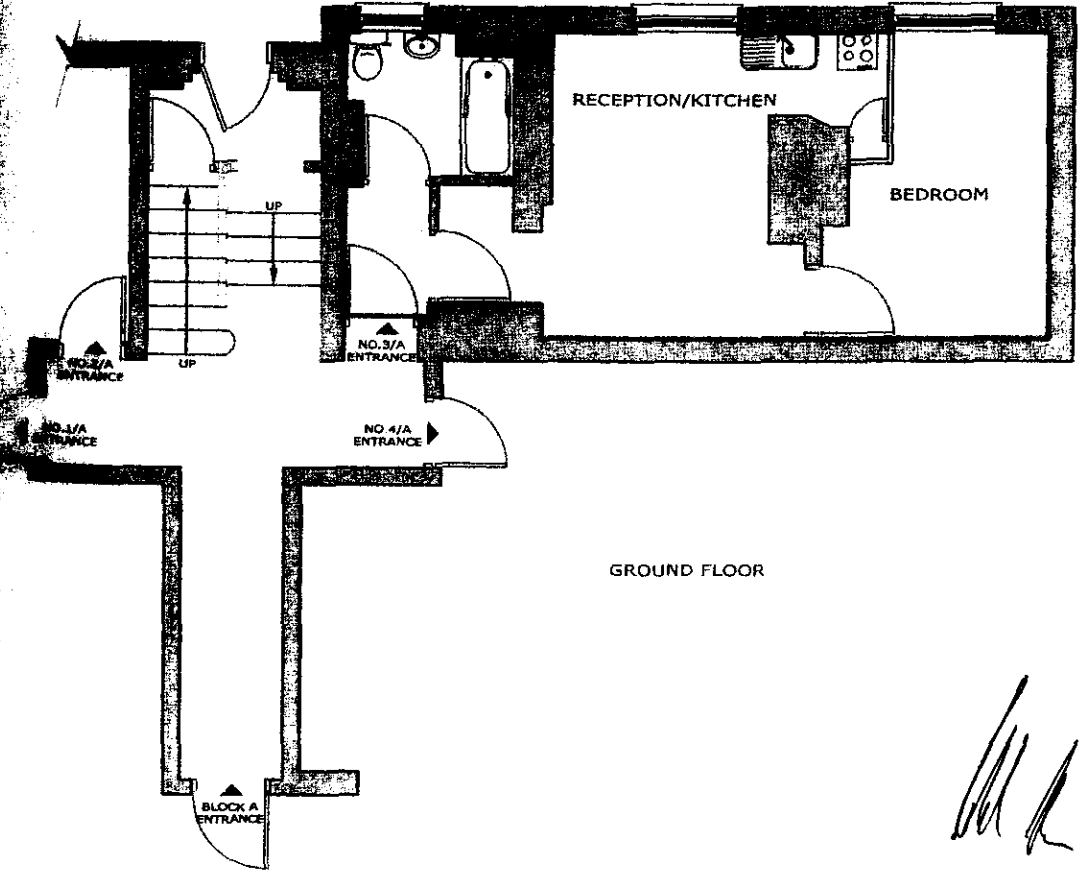
NORTH



LOCATION PLAN  
SCALE 1:1250



NORTH



GROUND FLOOR

*[Handwritten signature]*

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|   |  |                      |                |             |  |
|---|--|----------------------|----------------|-------------|--|
| address<br>PEABODY ESTATE<br>ROSENDALE ROAD<br>LONDON, SE24 9EQ | location<br>FLAT 3A - GROUND FLOOR<br>LEASE PLAN | date<br>19.01.07     | scale<br>1:100 | sheet<br>A4 | <b>PLAN</b><br><br>The Old Bakery<br>139 Half Moon Lane, London, SE24 9JY<br>Tel: 0845 2262776 Fax: 0845 2262770<br>www.theoldbakery.co.uk |
|   |  | dwg no<br>PL27019-01 | revision       |             |  |

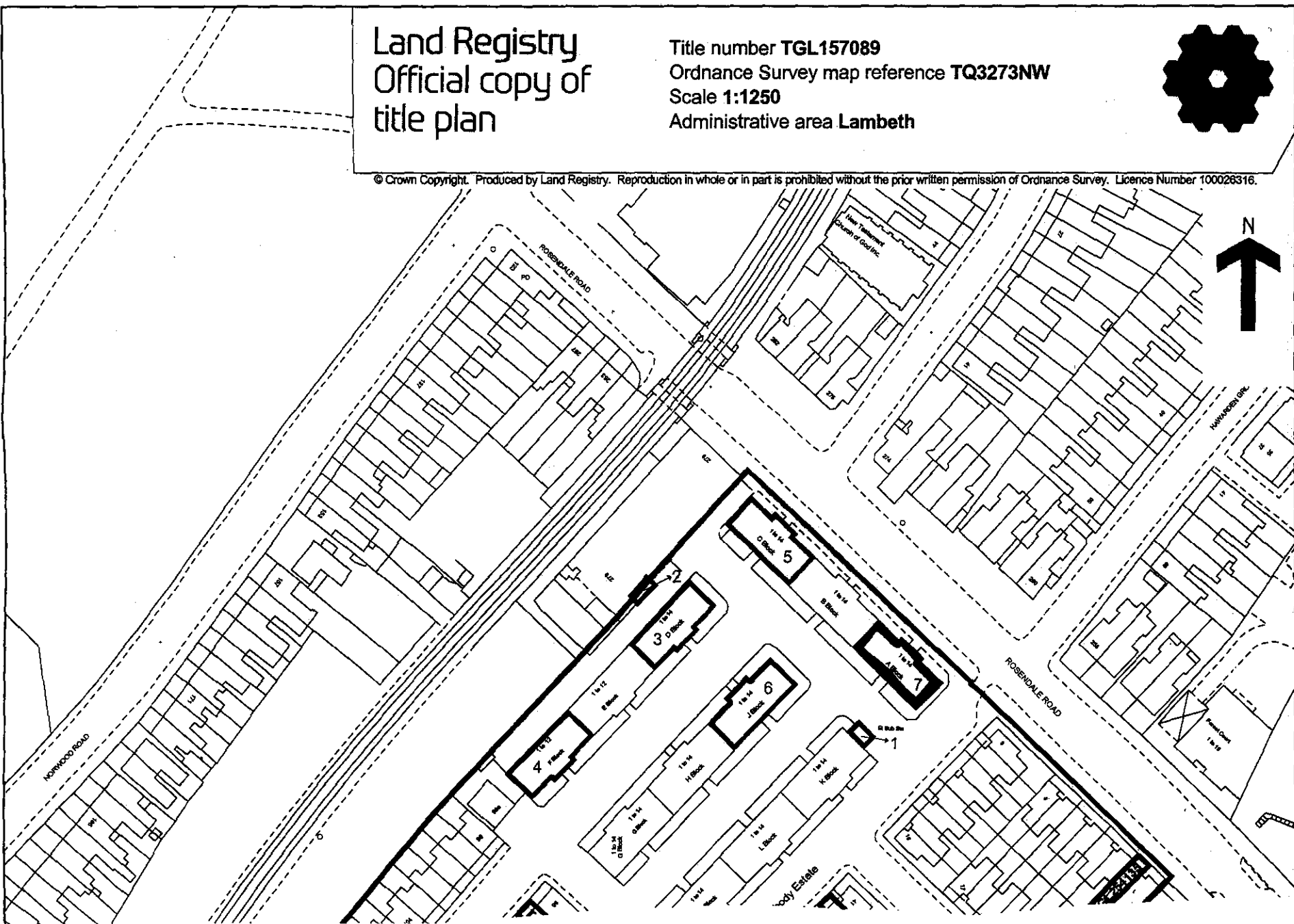


Land Registry  
Official copy of  
title plan

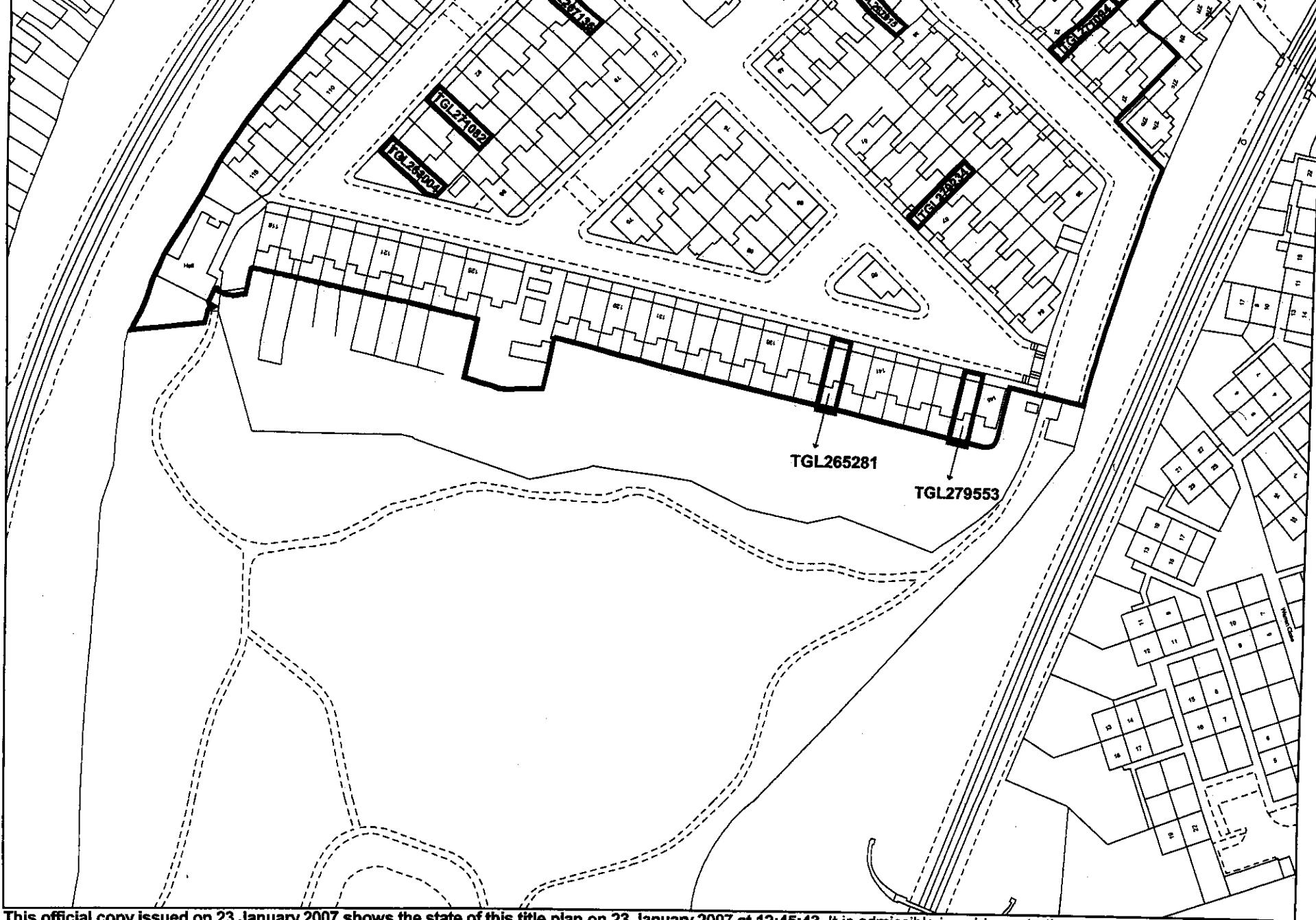
Title number **TGL157089**  
Ordnance Survey map reference **TQ3273NW**  
Scale **1:1250**  
Administrative area **Lambeth**



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**This official copy issued on 23 January 2007 shows the state of this title plan on 23 January 2007 at 12:45:43. It is admissible in evidence to the same extent as the original (s.67 Land Registration Act 2002).**

**This title plan shows the general position, not the exact line, of the boundaries. It may be subject to distortions in scale. Measurements scaled from this plan may not match measurements between the same points on the ground. See Land Registry Public Guide 7 - Title Plans.**

**This title is dealt with by Land Registry, Telford Office.**





SERVICE CHARGE in any financial year.

- In determining the SERVICE CHARGE statutory provisions in force relating thereto shall at all times be complied with.
  - To the landlord in respect of major works where it is anticipated by the landlord that the SERVICE CHARGE will amount only to an insignificant sum or may consist of items likely to arise only on an irregular basis such sum as represents the tenants' total contribution (subject to any statutory provision) due or prospectively due as and when expenditure is actually incurred or when the work is complete
- (c) Any expenses (including legal and other professional fees and the landlords own costs if it undertakes it itself) incurred by the landlord as a result of any breach or anticipated breach of the tenant's duties, paying when asked reimbursing the landlord for the total amount of its expense or loss.
- (d) Interest on any payment at least 14 days late at a rate 4% higher than the base rate of Coutts and Co or any other clearing bank nominated by the landlord, paying when asked provided if such interest payable shall be in arrears on a day when RENT is due the landlord may treat it as an addition to the RENT and shall itself bear interest at the rate stipulated herein and all such interest whether capitalised or not shall be recoverable by distress or process of law.
- (2) For all services (including meter rents) consumed at THE FLAT
- (3) All monies payable under this lease of a periodic nature are to be paid by the tenant to the landlord if required by the landlord by Direct Debit or by such other automated means to such Bank and Bank Account in the United Kingdom as may be reasonably nominated by the landlord in writing from time to time without any deduction whatsoever
- (4) Any taxes and other payments payable by the owner or occupier of THE FLAT
- (5) VAT (if any) in that respect all payments under this lease are exclusive of VAT
- (6) The Landlord's costs expenses and professional fees plus VAT of considering and/or giving any consent permission or approval at the request of the tenant under the terms of this lease whether or not such consent permission or approval is actually given and providing security for such costs expenses and fees if required by the landlord
- (B) (1) Keep THE FLAT, in good condition, clean, and well decorated, all to the reasonable satisfaction of the landlord and when necessary to rebuild and reinstate THE FLAT in order to keep the same in such condition.
- (2) Replace any fixtures and fittings in THE FLAT where they are incapable of economic repair or their normal life expectancy has expired and any replacement shall be of a similar type and specification to the original.
- (3) In every sixth year of the TERM and in the last year of the TERM (and in colours approved by the landlord) paint treat and generally decorate in a style appropriate to similar property of this style all the inside parts of THE FLAT previously or usually so painted treated or decorated.



Excepting from the obligations in clause 3(B) above anything that is covered by the insurance effected by the landlord under clause 4(E) unless that insurance cover (or any payment under it) is not effective or is reduced or refused due to something the tenant or a VISITOR does or does not do.

- (C) Not damage, improve, or alter or make any additions nor carry on or permit to be carried out any development within the meaning of the Town and Country Planning Act 1990 nor to apply for or knowingly permit any application for permission under the Town and Country Planning Act 1990 to or in respect of THE BUILDING or THE FLAT or any garden ground therewith, or allow others to do so, except for:
  - (1) The installation or removal of normal domestic fittings installed by the tenant in THE FLAT.
  - (2) Other non-structural alterations to THE FLAT, with the landlord's prior written permission.
  - (3) The installation or removal of any of the landlord's fixtures and fittings from THE FLAT with the previous written consent of the landlord and it shall be reasonable for the landlord in requiring as a condition of such consent the replacement of such fixtures and fittings of a similar type and specification.
- (D) Repair any damage to the COMMON PARTS THE FLAT THE BUILDING THE ESTATE THE CONDUITS or other areas over which rights have been granted under the terms of this lease caused by the tenant or a VISITOR.
- (E) Cause as little disturbance as is practicable when repairing CONDUITS and make good any damage caused by the tenant or his or her workers.
- (F) Comply with the legitimate requirements of any authority relating to THE FLAT.
- (G) Serve promptly on the landlord a copy of any NOTICE affecting THE BUILDING THE FLAT or THE ESTATE received by the tenant from an authority.
- (H) Permit the landlord and its agents to enter at all reasonable times (on reasonable NOTICE except in an emergency) to:
  - (1) Inspect THE FLAT.
  - (2) Do any work which the tenant should have done under clauses 3(B) or 3(F).
  - (3) Comply with its other duties under this lease.
  - (4) Repair neighbouring premises or SHARED facilities.
  - (5) In order for prospective purchasers of the landlord's reversion to view THE BUILDING THE FLAT and THE ESTATE.
- (I) Permit the tenants or other occupiers of OTHER FLATS to enter at all reasonable times (on reasonable NOTICE except in an emergency) to repair their premises or SHARED facilities.
- (J) (1) Not to assign transfer underlet mortgage charge or part with possession of



part only of THE FLAT nor take in lodgers or paying guests

(2) Not to assign or underlet the whole of THE FLAT otherwise than by way of mortgage without the landlord's written consent which shall not be unreasonably withheld or delayed in respect of an assignment or an underletting in the form required by sub-clause (3) below in either case to a respectable and responsible person who shall have executed a Deed of Covenant with the landlord in the form reasonably required by the landlord and at the tenant's expense (including the reasonable costs of the landlord's solicitors or other advisors) that the transferee subtenant or other person will at all times from the date of such transfer subletting or parting with possession duly pay all rents becoming due under this lease and will observe and perform all the obligations of the tenant contained in this lease including this subclause but excluding in the case of a subletting the covenants to pay the RENT and SERVICE CHARGE provided that the landlord shall not be required to execute such deed of covenant

(3) Not to underlet the whole of THE FLAT otherwise than by way of mortgage except :-

(i) by way of Assured Shorthold Tenancy complying with the provisions of Section 19A of the Housing Act 1988 or such other form of tenancy approved by the landlord which does not grant to the sub-tenant any security of tenure after the expiry of sooner determination of the term granted; and

(ii) which is for a term not exceeding one year; and

(iii) which prohibits any further assignment underletting or parting with possession by the sub-tenant except as required by statute

(K) Only use THE FLAT as a private dwelling for residential purposes only and in single family occupation.

(L) (1) Give the landlord NOTICE within one month of any transfer, parting with possession or subletting of THE FLAT (including mortgages).

(2) Supply a photostat copy of the document by which the change was effected (including a grant of probate where appropriate), certified by a solicitor or licensed conveyancer.

(3) Pay a reasonable registration fee to the landlord or its agent when asked not being less than £45.00 plus VAT.

(M) Not do or allow in the BUILDING, THE FLAT, THE COMMON PARTS or THE ESTATE anything which:

(1) Might annoy others.

(2) Is dangerous (including the keeping or use of paraffin, petrol, bottled gas or dangerous materials or equipment).

(3) Might prejudice the landlord's insurance cover or increase the premium.

(4) Might obstruct CONDUITS.

(5) Obstructs any COMMON PARTS.



- (6) Which is illegal immoral improper unpleasant dangerous or of a noisy or noxious nature.
- (7) Would permit any water or liquid to soak through the floors of THE FLAT or suffer dirt rubbish rags or refuse or any corrosive or harmful substance to be thrown into the sinks baths lavatories cisterns or waste or CONDUITS in or serving THE FLAT and in the event of such happening without prejudice to the landlord's other rights under this lease immediately at the expense of the tenant to rectify and make good all damage and injury thereby caused.
- (8) Would be in contravention of the Town and Country Planning Act 1990.
- (N) Do whatever is reasonably necessary:
  - (1) To protect any rights over THE ESTATE which go with THE FLAT.
  - (2) To prevent the creation of new rights over THE FLAT.
- (O) Lay carpets, or other suitable floor coverings where appropriate, to reduce noise.
- (P) Not interfere with the use of the COMMON PARTS by the tenants or occupiers of the OTHER FLATS or where others have a right to use them.
- (Q) Ensure that anyone occupying THE FLAT obeys any reasonable rules made by the landlord either for the management of THE ESTATE THE BUILDING or for the benefit of the tenants and/or occupiers as a whole.
- (R) Give up THE FLAT at the end of the TERM (or if the lease terminates earlier at that time) in accordance with the tenants duties set out in this lease excluding from such duty any damage covered by insurance effected by the landlord under this lease unless the insurance money is irrecoverable by anything done or not done by the tenant or its VISITOR.
- (S) Not place or keep the following items on THE FLAT, THE BUILDING, THE COMMON PARTS or THE ESTATE;
  - (1) any sign advert or display.
  - (2) any pole satellite dish or other device for the purpose of receiving or transmitting radio television or other signals.
  - (3) Anything that is dangerous, illegal or inflammable.
  - (4) Any rubbish or other articles except in the receptacles provided for such purpose.
  - (5) Any laundry or washing which is visible from the outside of THE FLAT
- (T) Repay to the landlord in full any losses or liability incurred by the landlord or validly claimed against the landlord in respect of any death or injury to any person or damage to any property (of any kind) or the infringement disturbance or destruction of any right privilege or otherwise occurring (whether directly or indirectly) from any breach or non observance of any obligation of the tenant or any VISITOR.
- (U) Not commit or allow any VISITOR to commit any form of harassment on the grounds





of race colour religion sexual orientation or disability which may interfere with the peace and comfort of or cause offence to any other occupier visitor neighbour or any other person lawfully upon OTHER FLAT(S) THE BUILDING or THE ESTATE.

- (V) Observe and perform the matters contained in the landlords title to THE ESTATE and any superior title to the landlord's insofar as it affects THE FLAT and the tenants use of THE ESTATE and THE BUILDING and to reimburse the landlord in full (on an indemnity basis) for any losses or liability incurred by the landlord and any other person as a result of not observing or performing such matters.
- (W) Further covenant with the landlord and other occupiers of the OTHER FLATS to:
  - (1) At all times observe and perform the restrictions obligations and other matters contained in this lease
  - (2) Comply with any reasonable regulations made by the landlord for the better running of THE FLAT THE BUILDING or THE ESTATE.
  - (3) Become and remain a member upon reasonable terms of any resident's association or management company which may from time to time exist for the benefit of THE ESTATE and its occupiers and which shall be promoted or approved by the landlord and upon any transfer of this lease to another person to procure that the transferee becomes a member of such residents' association or management company.
- (X) Enter into all or any Adoption Agreements Deed of Easements or other deeds with any authority (including Local Authority Statutory Authority or service provider) relating to any services benefiting THE FLAT THE BUILDING or THE ESTATE or adjoining property without payment of any consideration the landlord paying the reasonable legal costs of the tenant in respect of such matters.
- (Y) To observe and perform the rules and regulations set forth in Schedule 1 hereto and such additions to those rules and regulations in the form subsisting as the landlord may reasonably make modify and amend.

**PROVIDED THAT**

- (1) the said additions and any modification and amendment thereof shall take effect from the date that the landlord shall notify the tenant such additions and modifications are to take effect and details of the same shall be entered in a book kept for this purpose by the landlord.
- (2) the said book shall be available for inspection by the tenant upon written notice.
- (3) the entries in the said book shall be conclusive evidence as against the tenant of the rules and regulations from time to time in force in respect of THE FLAT, THE BUILDING and THE ESTATE.

**Landlord's duties**

4. The landlord hereby agrees and covenants with the tenant (subject to clause 5 ) to:



- (A) Provide the BUILDING SERVICES and ESTATE SERVICES.
- (B)
  - (1) Manage THE ESTATE, maintaining the facilities to a reasonable standard, and, at its discretion, employing a caretaker, or managing agents for the purpose of managing THE BUILDING and THE ESTATE and remunerate them properly for such services.
  - (2) To employ architects, surveyors, solicitors, accountants, contractors, builders, gardeners and any other person, firm or company properly required to be employed in connection with or for the purpose of or in relation to THE ESTATE and THE BUILDING or any part thereof and pay them all proper fees, charges, salaries, wages, costs, expenses and outgoings.
  - (3) To delegate any of its functions under this lease to any firm or company or any other body of persons whose business it is to undertake such obligations upon such terms and conditions and for such remuneration as the landlord shall think fit.
  - (4) Pay all rates taxes outgoings or costs in relation to the COMMON PARTS
  - (5) Pay any excess payable arising from any claim made under an insurance policy.
  - (6) Pay the cost of services (i.e. electricity gas water and other services) necessary for the fulfilment of the landlord's duties under this lease including the running of all appliances and services on THE ESTATE, THE BUILDING and the COMMON PARTS.
  - (7) Rendering of any other services or the carrying out of any other operation to THE ESTATE, THE BUILDING and the COMMON PARTS as the landlord shall reasonably consider to be appropriate.

and also excluding anything that the tenant or any other tenant is under an obligation to repair and maintain under the terms of this or their lease

- (C) Carry out all improvements to THE BUILDING and THE ESTATE which the Landlord shall in its absolute discretion consider appropriate or necessary
- (D) Make good any damage done to THE FLAT during work under clause 3H, except to the extent that the damage resulted from the tenant's breach of duty.
- (E)
  - (1) Insure THE BUILDING and THE ESTATE with a reputable insurer against the insurer's standard perils, including loss of RENT, and such other risks as the landlord may reasonably decide or any lender of THE FLAT or OTHER FLATS may reasonably require so that it can be reconstructed without cost to the landlord or tenant except for payment of an excess
  - (2) Provide on demand a summary of the current policy and premium receipt (but not more than once without charge in each insurance period).
  - (3) Claim under the policy when appropriate and use the proceeds to reinstate THE FLAT THE BUILDING, and THE ESTATE making significant changes only as required by law or approved by the tenant acting reasonably.
  - (4) Arrange for the interests of the tenant and the tenant's lender on THE FLAT to be protected by the policy.



- (F) Not withhold unreasonably any consent for which the tenant has had to ask under this lease.
  - (G) Enforce the covenants imposed on other tenants of OTHER FLATS if they hold under a lease similar to this if:
    - (1) THE FLAT is affected; and
    - (2) The tenant under this lease requests it and indemnifies the landlord against the cost (including costs awarded to other tenants) and if reasonably required by the landlord provides security for such costs.
  - (H)
    - (1) Arrange for a professionally qualified surveyor to estimate the SERVICE CHARGE for the next ACCOUNTING YEAR, including in those figures (to reduce undue fluctuation of the cost) a reserve towards expenses not incurred every year and including any costs and expenses incurred in any prior ACCOUNTING YEAR but remaining unpaid which the landlord may in its absolute discretion consider it reasonable to include.
    - (2) NOTIFY the tenant of the estimates before the ACCOUNTING YEAR begins but if for any reason such notification is not given this will not invalidate or affect the amount payable under clause 4 (H) (1).
    - (3) NOTIFY the tenant, as soon as practicable after the end of each ACCOUNTING YEAR supplying copies of the summarised accounts, and showing the difference between the estimated and actual SERVICE CHARGE (apart from any reserve not spent during that year).
  - (I) Subject to the tenant paying all monies due under this lease and observing and performing the terms of this lease the landlord will permit the tenant to peaceably enjoy THE FLAT during the TERM without any lawful interruption by the landlord or any person rightfully claiming under or in trust for it.
  - (J) The landlord while OTHER FLATS shall not for the time being be let under a lease in the same terms of this lease (mutates mutandis) the landlord shall so far as is practicable be liable to make such payments and observe and perform such obligations as the tenant will be liable to make observe and perform if the OTHER FLAT were so let.
  - (K) The lessor shall ensure that it shall be a term of every lease granted of OTHER FLATS in THE BUILDING that every disposal of that OTHER FLAT shall contain a covenant on behalf of the assignees or sub-lessee to observe the covenants contained in their lease.
- 5.
- (A) The landlord may change the BUILDING SERVICES and the proportions specified in the BUILDING SERVICE CHARGE and ESTATE SERVICE CHARGE in the interests of good estate management or if THE ESTATE or THE BUILDING may be enlarged or reduced or anything happens that would make it appropriate to do so.
  - (B) The landlord is not responsible for:
    - (1) Any failure to comply with its duties under clause 4:
    - (2) Damage caused to the tenant or a VISITOR or to THE FLAT by



- (i) A defect in THE BUILDING THE ESTATE or THE FLAT; or
  - (ii) The negligence or misconduct of anyone employed by the landlord in connection with THE FLAT THE ESTATE or THE BUILDING
- (C) No failure on the part of the landlord to perform or supply its obligations under this lease shall release or in any way exonerate the tenant from complying, performing or observing his covenants or obligation under this lease.

#### **Events affecting the rights of the landlord or tenant**

6. The landlord may enter THE FLAT, so ending this lease (although without affecting any rights which have accrued under it) if:
- (A) (1) Any money due to the landlord is unpaid for more than 21 days after it has become due (whether formally demanded or not); or
  - (2) The tenant has broken any other term of this lease;
  - (B) (1) Given reasonable NOTICE to any lender on THE FLAT of whom it has NOTICE properly registered under clause 3(L); and
  - (2) Taken any court proceedings required by law.
7. The landlord may:
- (A) Alter the COMMON PARTS and THE ESTATE, if afterwards neither the access to THE FLAT nor its amenities are substantially reduced.
  - (B) Deal with any land near THE ESTATE as freely as if this lease did not exist.
8. Whilst THE FLAT is at least partly unfit for use because of damage covered by the landlord's insurance, the RENT (or a fair proportion of it) will be suspended, (during the period for which loss of RENT is insured for and paid to the landlord) unless through the fault of the tenant or a VISITOR the insurance money cannot be recovered.
9. The landlord may enter THE FLAT and carry out any work which the tenant should have done under clauses 3(B) or 3(F) subject to the landlord having given the tenant reasonable written NOTICE (except in the case of an emergency) to do such work and may then charge the tenant for such costs of carrying out the work.
10. The tenant must repay to the landlord in full (on an indemnity basis) all costs charges and expenses (including solicitors costs, surveyors costs and other expert or advisors fees) incurred by the landlord for the purposes of and incidental to the preparation and service of any notice under Section 146 or Section 147 of the Law of Property Act 1925 notwithstanding that forfeiture of this lease may be avoided otherwise than by relief by the Court or otherwise incurred by the landlord in respect of any breach of covenant by the tenant.

#### **Declarations**

11. (A) The Landlord is a Housing Association and registered social landlord registered with the Housing Corporation under the Housing Act 1996 registered number L0014.





- (B) The property which is the subject of this lease is held by the Landlord in trust for a charity and the charity is not an exempt charity and this lease is a disposition falling within paragraph (a) of subsection (9) of Section 36 of the Charities Act 1993.

#### Miscellaneous

12. All money due from the tenant to the landlord under this lease may be recovered as rent.

Note: A landlord has rather wider powers to collect overdue rent than an ordinary creditor has to recover a debt. This clause is intended to extend those powers to the recovery of money due under clauses 3(A)(1) (a) (b), (c), and (d).

13. If the tenant is more than one person, they are liable individually and jointly. Any references to the singular shall include the plural (and vice versa) and the masculine shall include the feminine (and vice versa). The tenant includes the survivor or survivors if there is more than one tenant.
14. Any reference to any Act of Parliament or Regulation (or similar provision) shall include a reference to any statutory amendment modification or re-enactment thereof for the time being in force.
15. The landlord and the tenant hereby agree that this lease and THE FLAT shall not acquire any right or other easement other than that expressly granted in this lease and the operation of Section 62 of the Law of Property Act 1925 is hereby excluded.
16. This lease is made with limited title guarantee.
17. Unless otherwise stated the parties to this lease do not intend to confer any right or benefit which is enforceable by any person who is not a party to this lease by virtue of the Contracts (Rights of Third Parties) Act 1999.
18. For the purpose of Section 48 of the Landlord and Tenant Act 1987 the landlord's address at which notices (includes notices in proceedings) may be served upon the landlord by the tenant is The Governors of the Peabody Trust 45 Westminster Bridge Road London SE1 7JB.
19. The provisions of Section 196 of the Law of Property Act 1925 as amended by the Recorded Delivery Service Act 1962 shall apply to any notice under this lease.
20. It is hereby agreed that if any dispute or difference shall arise between the landlord and the tenant touching the determination in a particular manner or on particular evidence of any question whether any amount payable before costs for services repair maintenance insurance or management are incurred is reasonable whether such costs were reasonably incurred or whether services or works for which costs were incurred are of a reasonable standard then and in every such case the dispute or difference shall be referred in accordance with the provisions of the Arbitration Act 1996 or any statutory modification or re-enactment thereof for the time being in force to the determination of a single arbitrator to be agreed upon by the parties or failing agreement to a person nominated by the President for the time being of the Royal Institution of Chartered Surveyors.



## Schedule 1

1. The tenant shall:
  - 1.1 Comply with the instructions given from time to time for the disposal of refuse.
  - 1.2 Keep THE FLAT in a clean condition.
  - 1.3 Sweep all chimneys in use at least once every year.
  - 1.4 Be responsible for all acts of wanton mischief or breach of these conditions by his children occupants of THE FLAT and his invitees to THE ESTATE and for any annoyance nuisance or damage such persons may cause and shall repay to the landlord the cost of making good any damage or defacement caused by such persons.
  - 1.5 Where provided cultivate the garden (including trees and shrubs) or fitted window box and maintain it in a clean and tidy condition free from weeds.
  - 1.6 If and as required and at such times and in such manner as may be directed by the landlord clean the common stairs balconies landings staircases and corridor windows.
  - 1.7 At all times keep open and free from obstruction all air bricks or ventilating apparatus.
  - 1.8 Give immediate notice of any stoppage in the soil drain or water pipes.
2. The tenant shall not
  - 2.1 To keep or permit to be kept any animals or pets in the Flat without the prior written consent of the Landlord which consent the Landlord may revoke at any time if such pets or animals cause or become a nuisance annoyance or danger to or complaint is received from the landlord or any other owner or occupier of any adjoining or neighbouring property and to ensure that any pets are kept under proper control.
  - 2.2 Throw or allow litter or refuse to be thrown from THE FLAT.
  - 2.3 Beat or shake carpets mats or rugs on any balconies common landings or corridors at any time.
  - 2.4 Lay floor covering within one foot of any wall during the first twelve months of the tenancy in the case of newly erected premises or at any time where the floors have a finish of thermo-plastic tiles or in the case of premises equipped with underfloor heating lay any linoleum or rubber backed carpeting of a type which because of the heat may damage the floor finish.
  - 2.5 Use or allow to be used any radio television or sound reproducer or any musical instrument so as to cause annoyance or nuisance to neighbours.
  - 2.6 Cause or permit the parking of a motor vehicle or other vehicle (other than a perambulator or pedal cycle) in or upon any part of the BUILDING or the ESTATE
  - 2.7 Ride or permit the riding of any cycle (including a motor scooter a power-assisted bicycle or solo motor-cycle) upon any part of THE ESTATE or in or upon any land of the landlord adjacent thereto.



- 2.8 Place in the WC any object likely to choke the drain
- 2.9 Without the previous written permission of the landlord erect or permit to be erected any structure in the garden of THE FLAT (if any).
3. Written application shall be made to the landlord for any permission required for any purpose under the foregoing regulations.

## **SCHEDULE 2**

### **Building Services**

1. Keeping in such repair and decorative order as is reasonable having regard to its class and age replacing with new including reinstatement renewal and replacement and where appropriate rebuilding where necessary:
  - (1) Roofs foundations and main structure of the BUILDING and all external parts thereof and including all load bearing walls and their interior surfaces
  - (2) CONDUITS serving the BUILDING but excluding such as exclusively serve THE FLAT or OTHER FLATS and such as belong to any statutory undertaker or utility supplier
  - (3) the BUILDING COMMON PARTSand also excluding anything that the tenant or any other tenant is under an obligation to repair and maintain under the terms of this or their lease Provided that where the landlord undertakes major or structural works such works may include the replacement renewal or restoration of windows of the FLAT or OTHER FLATS and such doors as give access to THE FLAT and OTHER FLATS
2. Complying with the covenants contained in clause 4(B) insofar only as they relate to THE BUILDING and the BUILDING COMMON PARTS
3. Carrying out improvements to the BUILDING in accordance with clause 4(C)
4. Insuring the BUILDING in accordance with clause 4(E)
5. Complying with the provisions of clause 4(H) in relation to the BUILDING SERVICE CHARGE only
6. Carrying out such other repairs maintenance and management and providing such other services for the benefit of the BUILDING or the BUILDING COMMON PARTS as the landlord shall reasonably deem appropriate in the interest of good estate management

## **SCHEDULE 3**

### **Estate Services**

1. Keeping in such repair and decorative order as is reasonable having regard to its class and age replacing with new including reinstatement renewal and replacement and where appropriate rebuilding where necessary:



(1) Roofs foundations and main structure of any buildings on the ESTATE which do not form the FLAT or OTHER FLATS

(2) CONDUITS serving the ESTATE but excluding such as exclusively serve THE FLAT or OTHER FLATS or any single block of flats only on the ESTATE and any such as belong to any statutory undertaker or utility supplier

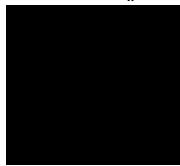
(3) the ESTATE COMMON PARTS

and also excluding anything that the tenant or any other tenant is under an obligation to repair and maintain under the terms of this or their lease Provided that where the landlord undertakes major or structural works such works may include the replacement renewal or restoration of windows of the FLAT or OTHER FLATS and such doors as give access to THE FLAT and OTHER FLATS

2. Complying with the covenants contained in clause 4(B) insofar only as they relate to the ESTATE and the ESTATE COMMON PARTS
3. Carrying out improvements to the ESTATE in accordance with clause 4(C)
4. Insuring the ESTATE in accordance with clause 4(E)
5. Complying with the provisions of clause 4(H) in relation to the ESTATE SERVICE CHARGE only
6. Carrying out such other repairs maintenance and management and providing such other services for the benefit of the ESTATE or the ESTATE COMMON PARTS as the landlord shall reasonably deem appropriate in the interest of good estate management

In witness the Landlord and Tenant have executed this deed on the date stated at the beginning of this lease.

Signed as a deed and delivered



by the Tenant on the date specified

at the beginning of this lease in the

presence of:

