

9764



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

Case Reference : **MAN/30UF/LAM/2014/0001**

Property : **Lindsay Court, New Road, Lytham St Annes,
Lancashire FY8 2SR**

Applicant : **Lindsay Court Securities Limited**

Representatives : **Mr J Bates of Counsel instructed by Conway & Co,
solicitors**

Respondent : **Lindsay Court RTM Company Limited &
Mr K C Garrad**

Representative : **No appearance on behalf of Lindsay Court RTM
Company Limited; Mr Garrad in person**

Type of Application : **Application for appointment of manager**

Tribunal Members : **P J Mulvenna LLB DMA (Chairman)
J Faulkner FRICS**

**Date and venue of
Hearing** : **13 March 2014 at Dalmeny Hotel, 19 – 33 South
Promenade, St Annes on Sea, FY8 1LX**

Date of Decision : **13 March 2014**

DECISION

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DECISION

1. That Mr David Bentham, Managing Director of Homestead Consultancy Services Limited of 50 Wood Street, St Annes on Sea, FY8 1QG, be and is hereby appointed as manager of Lindsay Court, New Road, Lytham St Annes, FY8 2SR, in substitution for Lindsay Court RTM Company Limited.
2. The Property is to be managed in accordance with the Management Order appended to this Determination.

DETERMINATION AND REASONS FOR DECISION

INTRODUCTION

1. This is a written confirmation of the oral decision given by the Tribunal at the conclusion of the hearing held on 13 March 2014.
2. By an application dated 21 January 2014, Lindsay Court Securities Limited ('the Applicant') applied for a determination that Mr David Bentham, Managing Director of Homestead Consultancy Services Limited of 50 Wood Street, St Annes on Sea, FY8 1QG, be appointed as manager of Lindsay Court, New Road, Lytham St Annes, FY8 2SR ('the Property'), in substitution for Lindsay Court RTM Company Limited ('the Respondent'). On 29 January 2014, Mr K C Garrad ('the Second Respondent'), who is the leaseholder of 34 Lindsay Court, requested to be joined in the application as a respondent. His request was granted.
3. The Applicant has a freehold interest in the property and is the landlord.
4. A procedural chairman directed on 26 February 2014 that the Respondent could be removed from the proceedings. The direction was made in the belief that the Respondent had been struck off the Register of Companies. It now appears that such is not the case. The Registrar of Companies has entered the following on the Register:

'Action under Section 1000 of the Companies Act 2006 has been temporarily suspended as an objection to the striking off has been received by the Registrar'

The Tribunal understands that the objection was raised by a leaseholder at the Property who intends to bring legal proceedings against the Respondent.
5. In these circumstances, and having regard to a requirement for the Respondent to co-operate in the transfer of the management function to the new manager, as set out in the Management Order appended hereto, the Tribunal re-instated the Respondent in the proceedings.

THE PROPERTY

6. The Property is a residential development of 96 dwellings in 16 three-storey blocks, some of which are linked. The blocks are built of brick under tile roofs. The common parts comprise the entrance halls and stairs in each block, landscaped areas, estate roadways and car parking areas. The individual dwellings are held under leases which, because of disposals by the original owner on a piecemeal

basis, have a number of different formulae for the apportionment of the service charges.

PROCEEDINGS

7. Directions were issued by Judge L Bennett, procedural chairman, on 24 January 2014 and subsequently amended at the request of the Second Respondent. The Applicant and the Second Respondent have complied with the Directions.
8. The Tribunal inspected the common parts of the Property on the morning of 13 March 2014. They were accompanied by Mr D Bentham and Ms L Pendlebury of Homestead Consultancy Services Limited and by the Second Respondent. The Tribunal found that the development was in a state of disrepair with evidence of long neglect of the external fabric of the buildings, all of which suffered from general dilapidation. There was also much evidence of temporary repairs having been undertaken which had ceased to remedy the problems which they had addressed. Many of the garages were unusable because of storm damage and continuing deterioration. The Tribunal was told that there appeared to be non-compliance with statutory requirements: there was no asbestos survey, no fire risk assessment and no electrical services certificate. It was evident that the poor condition of the Property and the non-compliance with statutory requirements had resulted from inadequate management which had been reactive and responsive rather than proactive and planned. It was also evident that urgent action was needed to arrest the deterioration of the condition of the buildings and to put in place a planned programme of works to bring the development to an acceptable standard.
9. The substantive hearing of the application was held on 13 March 2014 at the Dalmeny Hotel, 19–33 South Promenade, St Annes. At the substantive hearing, the Applicant was represented by Mr J Bates of Counsel, instructed by Conway & Co, solicitors. He was accompanied by Mr N Blair, a director of the Applicant, Mr D Bentham and Ms L Pendlebury. The Respondent was not represented. The Second Respondent appeared in person.

THE LAW

10. Part II of the Landlord and Tenant Act 1987, as amended by Schedule 7 to the Commonhold and Leasehold Reform Act 2002, provides for the determination by a Tribunal of applications for the appointment of a manager. The Tribunal may make an order if it is satisfied that there has been a breach by a relevant person of an obligation and that it is just and convenient to make an order.

THE EVIDENCE AND THE TRIBUNAL'S CONCLUSIONS WITH REASONS

11. At the hearing, the Tribunal heard oral submissions from Mr Bates on behalf of the Applicant, together with oral submissions by the Second Respondent. The Tribunal also had before them the documentary evidence provided by the parties.
12. The Tribunal have considered the issues on the whole of the written evidence and the oral submissions now before them and, applying their own expertise and experience, have reached the following conclusions on the issues before them.

13. The Tribunal is satisfied that the former manager is a company which is no longer active, having made an application to be struck of the Register of Companies, and that it would not have been possible to give due notice under section 22 of the Landlord and Tenant Act 1987 of the Applicant's application. The Tribunal grants dispensation from the service of notice.
14. The Applicant has submitted unchallenged evidence that the Respondent has failed to discharge the obligations owed to the Applicant and to the leaseholders. The Tribunal is satisfied that, in the circumstances of this case, it is likely that repairs, renewals and maintenance have not and will not be undertaken by the Respondent, thus giving rise to the possibility of further neglect and deterioration without the appointment of a replacement manager.
15. In all these circumstances, the Tribunal is satisfied that it is just and convenient to make an order appointing a new manager in substitution for the former manager.
16. The Applicant has proposed that Mr D Bentham, Managing Director of Homestead Consultancy Services Limited of 50 Wood Street, St Annes on Sea, FY8 1QG, be appointed as manager of Lindsay Court, New Road, Lytham St Annes, FY8 2SR, and submitted a draft Management Order in accordance with which the Property should be managed. The Second Respondent has proposed that Tiger Estate Management be appointed as manager because they 'would be a more affordable option.'
17. Having heard the proposals of the Applicant and, in particular, the terms of the Management Order under which it was proposed that the Property should be managed, the Second Respondent, whilst having a residual concern that some of the leaseholders might be unable to meet the costs involved, agreed that the terms of the Management Order would satisfactorily address the needs of the management of the Property and that, having regard to the safeguards for leaseholders contained in the relevant legislation and in the Management Order, he was content for the Applicant's proposals to be adopted.
18. The Tribunal has considered the evidence provided, and the submissions made, by and on behalf of the parties and has concluded that it would be just and convenient to appoint Mr D Bentham, Managing Director of Homestead Consultancy Services Limited of 50 Wood Street, St Annes on Sea, FY8 1QG, be appointed as manager of Lindsay Court, New Road, Lytham St Annes, FY8 2SR in substitution for the Respondent. The Tribunal reached this conclusion because of the evident need to make urgent arrangements to secure effective management of the Property and the evidence, including testimonials, of the qualifications and experience of Mr Bentham which demonstrate his ability to implement positive management improvements with the minimum of delay.
19. The Tribunal directs that the management of the Property be undertaken in accordance with the Management Order, approved by the Tribunal for such purpose, which is appended to this Determination. For the avoidance of doubt, references in the Management Order to 'the Respondent' relate only to Lindsay Court RTM Company Limited and not to Mr K C Garrad ('the Second Respondent').

COSTS

20. The Tribunal has power to award costs and/or reimburse fees under Rule 13 of The Tribunal Procedure (First Tier Tribunal) (Property Chamber) Rules 2013 which provides, insofar as it is material to the present case:

- '(1) The Tribunal may make an order in respect of costs only –
 - ...(b) if a person has acted unreasonably in bringing, defending or conducting proceedings in –
 - ...(ii) a residential property case...
- (2) The Tribunal may make an order requiring a party to reimburse to any other party the whole or any part of the amount of any fee paid by the other party which has not been remitted by the Lord Chancellor.
- (3) The Tribunal may make an order under this rule on an application or on its own initiative.'

21. None of the parties has made an application for the award of costs, although there is still an opportunity to do so (see Rule 13(5)). The Tribunal has, however, considered the position on its own initiative and has determined that, on the basis of the evidence at the time of the Decision, there was no circumstance or particular in which any of the parties had acted unreasonably. The Tribunal concluded that it would not be appropriate or proportionate to award costs to any party or to make an order for the reimbursement of any fees.

**IN THE PROPERTY CHAMBER
FIRST TIER TRIBUNAL
NORTHERN RESIDENTIAL PROPERTY**

CASE NO MAN/30UF/LAM/2014/0001

**IN THE MATTER OF SECTION 24(1) OF THE LANDLORD
AND TENANT ACT 1987**

BETWEEN:

LINDSAY COURT SECURITIES LIMITED

Applicant

and

LINDSAY COURT RTM COMPANY LIMITED

Respondent

MANAGEMENT ORDER

Interpretation:

In this order

- (a) “Common Parts” means any garden area, refuse store, cycle store, security gates, lifts, paths, driveways, halls, staircases and other access ways and areas (if any) within the Premises that are provided by the Landlord for common use by the Lessees or persons expressly or by implication authorised by them
- (b) “Functions” means any functions in connection with the management of the Premises
- (c) “Leases” means the long leases vested in the Lessees
- (d) “Lessee” means a tenant of a dwelling holding under a long lease as defined by section 59(3) of the Landlord & Tenant Act 1987 (“the Act”)
- (e) “the Manager” means Mr David Bentham of 50 Wood Street, St Anne’s on Sea, FY8 1QG
- (f) “the Premises” all that property known as Lindsay Court, New Road, Lytham, St Annes, FY8 2SR consisting of 96 flats and the Garages Blocks located on the Property.
- (g) “The Management Company” means Lindsay Court (St Annes) Management Co Ltd being the management company under the Leases at the Premises and which is a company now in dissolution.

Preamble

UPON the Respondent having exercised the Right to Manage within the meaning of Part 2 of Chapter 1 of the Commonhold and Leasehold Reform Act 2002 (the 2002 Act) at the Premises to date

AND UPON the Applicant having applied for the appointment of a manager under Pt.II, Landlord and Tenant Act 1987

AND UPON the Tribunal being satisfied that the Applicant is entitled to so apply and that the jurisdiction to appoint a manager is exercisable in the present case by virtue of Section 8(3) of Schedule 7 of the 2002 Act.

AND UPON the Tribunal being satisfied that the circumstances upon which an order can be made by virtue of paragraph (b) of Subsection 2 of Section 24 of the 1987 Act as amended by Section 8(6) of Schedule 7 of the 2002 Act are met; and that it is just and convenient to appoint a manager

IT IS ORDERED THAT

The Manager

- 1 The Right to Manage ceases to be exercisable by the Respondent as at the date of this order

- 2 Mr. David Bentham, is appointed as the Manager (including such functions of a Receiver as are specified herein) of the Premises pursuant to s24 of the Act for a period of 3 years commencing on the date of this order and is given for the duration of his appointment all such powers and rights as may be necessary and convenient and in accordance with the Leases to carry out the management functions of the Respondent as granted under the 2002 Act and in particular:
 - (a) To receive all service charges, interest and any other monies payable under the Leases and any arrears due thereunder, the recovery of which shall be at the discretion of the Manager.

 - (b) The right to treat the service charge financial year as commencing on the date of this Order and ending on 31 December 2014 and thereafter as running from 1 January to 31 December in each year this Order is in place.

 - (c) The power and duty to carry out the obligations of the Management Company and Landlord contained in the Leases and in particular and without prejudice to the foregoing.
 - (i) The obligations of the Management Company or Landlord to provide services and to insure the Buildings and

 - (ii) The obligations of the Management Company or Landlord with respect to repair and maintenance; and

 - (iii) The power of the Management Company or Landlord to grant consent (save that the Manager may not give consent in

circumstances that would not have been available to the Respondent under the provisions of the 2002 Act.

- (iv) The power, if so required, to carry out the following repairs/works and recover the cost of the same to include professional fees incurred in relation to same as part of the service charges:
 - (i) Repairs to the Roofs and Windows of the Buildings
 - (ii) Repairs to the Garages blocks;
 - (iii) Concrete Repairs to the exterior of the Buildings,
- (d) The power to delegate to other employees of Homestead Consultancy Services Limited, appoint solicitors, accountants, architects, surveyors and other professionally qualified persons as he may reasonably require to assist him in the performance of his functions.
- (e) The power to appoint any agent or servant to carry out any such function or obligation which the Manager is unable to perform himself or which can more conveniently be done by an agent or servant and the power to dismiss such agent or servant.
- (f) The power in his own name or on behalf of the Respondent to bring, defend or continue any legal action or other legal proceedings in connection with the Leases of the Premises including but not limited to proceedings against any Lessee in respect of arrears of service charges, or other monies due under the Leases and/or this order and to make any arrangement or compromise on behalf of the Respondent. The Manager is authorised to recover the reasonable costs of proceedings to enforce the terms of the Lease and/or this order to include fees paid to a solicitor, barrister or surveyor from the individual Lessees as administration charges payable under the terms of this order.
- (g) The power to commence proceedings or such other enforcement action as is necessary to recover sums due from the Respondent pursuant to this order or to enforce compliance by the Respondent with the terms of this order.
- (h) The power to enter into or terminate any contract or arrangement and/or make any payment which is necessary, convenient or incidental to the performance of his functions.
- (i) The power to open and operate client bank accounts in relation to the management of the Premises and to invest monies pursuant to his appointment in any manner specified in the Service Charge Contributions (Authorised Investments) Order 1998 and to hold those funds pursuant to s42 of the Landlord and Tenant Act 1987. The Manager shall deal separately with and shall distinguish between monies received pursuant to any reserve fund (whether under the provisions of the lease (if any) or to powers given to him by this Order) and all other monies received pursuant to his appointment and shall keep in a separate bank account or accounts

established for that purpose monies received on account of the reserve fund.

- (j) The power to rank and claim in the bankruptcy, insolvency, sequestration or liquidation of the Respondent or any Lessee or owing sums of money under his Lease or Transfer respectively.
 - (k) The power to borrow all sums reasonably required by the Manager for the performance of his functions and duties, and the exercise of his powers under this Order in the event of there being any arrears, or other shortfalls, of service charge or contributions due from the Lessees, such borrowing to be secured (if necessary) on the interests of the defaulting party (*i.e.* on the leasehold interest of any Lessee, PROVIDED THAT the Manager shall not secure any borrowing as aforesaid without the consent of the defaulting party (not to be unreasonably withheld), or in default of that consent, without further Order of the First Tier Tribunal (Property Chamber).
- 3 The Manager shall manage the Premises in accordance with:-
- (a) the Directions of the Tribunal and the Schedule of Functions and Services attached to this Order;
 - (b) the respective obligations of all parties – landlord and tenant and management company (under the Leases and in particular with regard to repair, decoration, provision of services and insurance of the Premises; and
 - (c) the duties of managers set out in the Service Charge Residential Manager Code (the “Code”) or such other replacement code published by the Royal Institution of Chartered Surveyors and approved by the Secretary of State pursuant to s87 of the Leasehold Reform Housing and Urban Development Act 1993.
- 4 From the date of this Order, no other party shall be entitled to exercise a management function in respect of the Premises where the same is a responsibility of the Manager under this Order.
- 5 From the date of this Order, the Respondent shall not, whether by itself or any agent, servant or employee, demand any further payments of service charges, administration charges or any other monies from the Lessees at the Premises. Such functions are transferred to the Manager forthwith.
- 6 The Respondent and the Lessees and any agents or servants thereof shall give reasonable assistance and cooperation to the Manager in pursuance of his duties and powers under this Order and shall not interfere or attempt to interfere with the exercise of any of his said duties and powers.
- 7 Without prejudice to the generality of the foregoing hereof:-
- (a) The Respondent, whether by itself, its agents, servants or employees, shall within 14 days of date of this order deliver to the Manager all such accounts, books, papers memoranda, records, computer records, minutes,

correspondence, emails, facsimile correspondence and other documents as are necessary to the management of the Premises as are within its custody, power or control together with any such as are in custody, etc of any of its agents, servants or employees in which last case it shall take all reasonable steps to procure delivery from its agents, servants or employees.

- (b) Within 14 days of compliance of paragraph 4(a) above the Manager shall decide in his absolute discretion which or any contracts he will assume the rights and liabilities under.
- (c) The Respondent shall within 14 days of date of this order deliver to the Manager all keys, fobs and other access/entry cards to the Premises. If the Respondent fails to deliver such keys etc, the Manager shall be entitled to remove the existing locks and other security systems currently installed at the Premises and install such locks and other security as, in his absolute direction, he thinks fit.
- (d) The Respondent shall by 14 days of date of this order deliver to the Manager all keys to electricity, gas, water and any other utility meters located in the Premises. To this end, the Respondent shall give the Manager full access to the electricity, gas and water meters fuse board and any other utility meters located in the Premises.
- (e) The Respondents shall by 14 days of date of this order give full details to the Manager of all sums of money it holds in the service charge fund and any reserve fund in relation to the Premises, including copies of any relevant bank statements and shall forthwith pay such sums to the Manager. If the Respondent shall thereafter receive such sums under the Leases of any Lessee it shall forthwith pay such sums to the Manger without deduction or set-off.
- (f) The rights and liabilities of the Respondent arising under any contracts of insurance to the Premises shall from the date hereof become rights and liabilities of the Manager.
- (g) The Manager shall be entitled to remuneration (which for the avoidance of doubt shall be recoverable as part of the service charges) in accordance with the Schedule of Functions and Services attached.

8 The Tribunal being satisfied that the liability for service charges under the Leases will not result in 100% recovery of the costs and expenditure in providing services to the Premises, orders the respective Lessees to pay a reasonable share of the expenditure incurred by the Manager under the terms of this order and demanded as a service charge, so as to ensure that the Manager can obtain 100% service charge recovery and the Manager is authorised to demand, claim and, if necessary, sue for the same. In the event that legal proceedings are necessary the Manager is entitled to recover the reasonable legal costs to include fees payable to a solicitor, barrister and other professional fees and disbursements in relation to such proceedings under the terms of this order as expenditure under the Service Charges.

- 9 'A reasonable share' in this order is to be calculated on the basis of 1/96th share of expenditure per Lessee except where the expenditure is to be incurred upon the repair, maintenance and redecoration of the Garages and in such case a reasonable share of such expenditure is to be calculated by dividing said expenditure between the number of Lessees who own garages at the Premises.
- 10 The Tribunal being satisfied that the Manager shall in the performance of his functions under this Order shall require immediate funding to carry out necessary works and services authorises the Manager to issue a copy of the budget enclosed at Annex 1 to each Lessee at the Premises and the Tribunal orders the respective Lessees to pay a reasonable share of said budget in two equal payments in advance the first payment being due 21 days after issue of the copy budget and demand and the second payable six months thereafter. Nothing within this order affects the liability of the Lessees to challenge the reasonableness of the sums pursuant to section 27A of the Landlord and Tenant Act 1985.
- 11 The Tribunal being satisfied that the Manager will require funding throughout the period of Management authorise the Manager to issue a budget of expenditure at the commencement of each Accounting Period to include the anticipated costs of repairs, works and services to the Property in accordance with the responsibilities of the Landlord and Management Company under the Leases and as provided herein and order the Lessees to make payment of a reasonable share of the budget by two equal payments in advance in each Accounting Period, the first payable 21 days after issue of the demand for payment and the second payment due six months thereafter. As soon as practicable after the end of the Accounting Period The manager is to certify the Accounts and provide a copy of same to Lessees and the surplus of any payment over budgeted sums paid to be credited to each Lessee's account and the balance of actual expenditure over budgeted sums to be paid by the respective Lessee within 21 days of demand.
- 12 The Tribunal being satisfied that the Manager in the performance of his functions under this Order will need to schedule major works to address the issues of external repairs to the Buildings and Garages authorise the Manager to issue a separate demand in relation to same and order the respective leaseholders to make a payment within 28 days of demand of a reasonable share of the proposed costs of the works as budgeted and demanded by The Manager having carried out consultation under Section 20 of the Landlord and Tenant Act 1985. Nothing within this order restricts the ability of the Lessees to challenge the reasonableness of the sums pursuant to section 27 of the Landlord and Tenant Act 1985.
- 13 The Tribunal being satisfied that conditions existed which made it reasonable and practicable for the Applicant to issue this application in the interest of all parties at the Premises order that the Applicant's reasonable costs to include legal fees incurred (tribunal fees, fees payable to a solicitor, counsel's fees) and the Manager's costs in relation to this application to be recoverable as a service charge item from the Lessees. The Manager is authorised to reimburse such costs to the party incurring same and to invoice such sums through the Service Charges for the Premises. Nothing within this order restricts the ability of the Lessees to challenge the reasonableness of same pursuant to section 27A of the Landlord and Tenant Act 1985.

- 14 The Manager shall in the performance of his functions under this Order exercise the reasonable skill, care and diligence to be expected of a manager experienced in carrying out work of a similar scope and complexity to that required for the performance of the said functions and shall ensure he has appropriate professional indemnity cover providing copies of the current cover note upon request by any Lessee, the Landlord, or the Tribunal.
- 15 The Manager shall act fairly and impartially in his dealings in respect of the Premises.
- 16 The Manager is directed to register this Order against the Respondent's freehold estate registered under title number LA890946
- 17 The Manager shall be appointed from the date of this Order and the duration of his appointment shall be limited to a **period of three years from the date hereof**.
- 18 The obligations contained in this Order shall bind any successor in title and the existence and terms of this Order must be disclosed to any person seeking to acquire either a leasehold interest (whether by assignment or fresh grant) or freehold.

Liberty to apply

- 19 The Manager may apply to the First Tier Tribunal (Property Chamber) for further directions, in accordance with s.24(4), Landlord and Tenant Act 1987. Such directions may include, but are not limited to:
 - a. Any failure by any party to comply with an obligation imposed by this Order;
 - b. For directions generally;
 - c. Directions in the event that there are insufficient sums held by him to discharge his obligations under this Order and/or to pay his remuneration.

Signed

Dated

SCHEDULE FUNCTIONS AND SERVICES

Financial Management:

1. Prepare an annual service charge budget administer the service charge and prepare and distribute appropriate service charge accounts to the Lessees .
2. Demand and collect service charges, insurance premiums and any other payments due from the Lessees; Instruct solicitors to recover any unpaid service charges, and any other monies due to the Manager and/or Respondent.
3. Create a form of reserve fund.
4. Produce for inspection, (but not more than once in each year) within a reasonable time following a written demand by the Lessees or Landlord, relevant receipts or other evidence of expenditure, and provide VAT invoices (if any).
5. Manage all outgoings from the funds received in accordance with this Order in respect of day to day maintenance and pay bills.
6. Deal with all enquiries, reports, complaints and other correspondence with Lessees, solicitors, accountants and other professional persons in connection with matters arising from the day to day financial management of the Premises.

Insurance:

7. Take out on behalf of the Landlord and in accordance with the terms of the Leases an insurance policy in relation to the Buildings and Garages with a reputable insurer, and provide a copy of the cover note to all Lessees and the Applicant.
8. Manage or provide for the management through a broker of any claims brought under the insurance policy taken out in respect of the Premises with the insurer.

Repairs and Maintenance:

9. Deal with all reasonable enquiries raised by the Lessees in relation to repair and maintenance work, and instruct contractors to attend and rectify problems as necessary.
10. Administer contracts (to include those entered into on behalf of the Respondent in the Manager's discretion), and check demands for payment for goods, services, plant and equipment supplied in relation to such contracts.
11. Manage the Common Parts, and service areas of the Premises, including the arrangement and supervision of maintenance.
12. Carry out regular inspections (at the Manager's discretion but not less than four per year) without use of equipment, to such of the Common Parts of the Premises as can be inspected safely and without undue difficulty to ascertain for the purpose of day-to-day management only the general condition of those Common Parts.

Major Works:

13. In addition to undertaking and arranging day-to-day maintenance and repairs, to arrange and supervise major works which are required to be carried out to the Premises (such as extensive interior or exterior redecoration or repairs required to be carried out under the terms of the Leases or other major works where it is necessary to prepare a specification of works, obtain competitive tenders, serve relevant notices on the Lessees and supervise the works in question).

Administration and Communication:

14. Deal promptly with all reasonable enquiries raised by Lessees including routine management enquiries from the Lessees or their solicitors.
15. Provide the Lessees with telephone, fax, postal and email contact details and complaints procedure.
16. Keep records regarding details of Lessees, agreements entered into by the Manager in relation to the Premises and any changes in Lessees.

Fees:

17. Fees for the above mentioned management services (with the exception of supervision of major works and the services listed in the schedule enclosed at Annex 2) would be a fee of £160.00 plus VAT per unit per annum for the Premises for the first 12 months of the appointment decreasing to £110.00 plus VAT per unit per annum for the remainder of the appointment, save that the Manager have permission to apply for a review by the Tribunal of the proposed fee at any time after the first 12 months.
18. An additional charge shall be made in relation to the arrangement and supervision of major works (including the preparation and service of any statutory consultation notices) on the basis of a fee of 10% of the cost of the works plus VAT.
19. Additional charges shall be made in relation to Services listed in the schedule enclosed at Annex 2 on the charging basis identified for each.

Annex 1

Projections: Lindsay Court - 5/3/2014

	Flats
Accountants	£350
Bank Charges	£270
Cleaner Common Areas (assume £1.00 per week per property	£5,000
Window Cleaner (Assume £5.00 property per visit, 12 visits p.a)	£5,760
Companies House (Annual Return & DTI)	£30
Insurances (All risks policy replacement value £)	£7,108
Directors & Officers Insurance Cover (£250,000 cover)	£250
Landscape (Assume 21 visits per annum, 18 to cut grass & tidy beds during growing season, & 3 to tidy site during winter)	£3,570
Landscape improvements budget	£500
Electricity (Common areas low energy light fittings & power)	£3,600
Repairs & Maintenance (Assume £200 per flat per annum)	£19,200
Sinking Funds (Assume £100 per flat per annum)	na
Contingencies (£125 per property p.a.) Hallway refurbishment	£12,000
Decoration external (Assume £15,000 every 3rd year including fences)	£5,000
Internal decoration (Assume £1,500 per stair well every 5th year)	£4,800
Ground rent billed separately	
Water Rates	na
Sundries	£500
Fire Risk assessments 16 Stair wells	£2,400
Asbestos Survey 16 blocks	£3,200
Electrical Services inspection £300 per meter	£4,800
Service of fire equipment	na
Legal Fees	£5,000
Professional fees	?
Management £10,560 plus vat	£12,672
Total	<u>£96,010.00</u>

£1,000 per flat per annum

Annex 2

APPENDIX III

ADDITIONAL CHARGES

ADDITIONAL SERVICES	CHARGING BASIS Where not included in the services
Drawing up and reviewing risk assessment plans. Advising on health & safety matters and other legislative requirements	At cost + 20% plus VAT
Preparing specifications, obtaining tenders and supervising major works. Preparing and monitoring major building works not covered by annual contracts including serving the required notices, instructing and liaising with specialist consultants, inspecting work in progress and handling retentions and raising surcharges.	10% of cost of contract plus VAT
Advertising and recruiting site staff on behalf of the Client	10% of staff annual wage
Dealing with any pension issues relating to site staff	At cost + 10% of staff members annual wage
Preparing replacement cost assessment for insurance valuation purposes on buildings and landlord contents	At cost + 10% arrangement fee plus VAT
Preparing schedules of dilapidation or condition in respect of individual dwellings	At cost + 10% arrangement fee plus VAT
Dealing with requests for alterations by leaseholders and related party wall matters	£60 + VAT to be recharged
Legal recovery of unpaid service charges or ground rents or action for non-compliance with leases including instructing solicitors and preparing for and attending Court/LVT	Arrears letters - £35 Mortgagee letter - £200 Court action - £100 + vat. Court/LVT attendance £150 + vat + expenses
Preparing Client company Accounts	At Cost
Attending meetings beyond the specified 4 meetings per annum	Travel expenses @ 40p per mile + £100 per hour
Fees of specialist advisors	At cost
Providing any form of services to the Client over and above this Management Agency Agreement in relation to the exercise by the lessees of Enfranchisement, the Right to Manage or as the result of the Appointment of a Manager by an LVT	£50 per hour plus VAT
Dealing with taxation issues relating to trust fund interest	Outsource to accountant at cost
Answering of queries from the lessees where excess work arises from the unreasonable expectations of those lessees	£75 per hour plus VAT
Providing detailed legal advice on any of the above	Outsource to solicitors at cost

APPENDIX IV

LIST OF SUPPLEMENTARY CHARGES

TYPE	CHARGES
DOCUMENT FEE	£200.00 plus VAT Repossession £400 + VAT
SHARE FEE / REGISTRATION FEE	£200.00 plus VAT
DEED OF COVENANT	£60.00 plus VAT
NOTICE FEE	£60.00 plus VAT
RE-MORTGAGE FEE	£60.00 plus VAT
RETRO CONSENT/ CONSENT	£100.00 plus VAT