



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

Case Reference : LON/00AG/LAM/2015/0008

Property : 24 Highgate West Hill, London N6
6NP

Applicant : Ms J Selby

Representative : Mr P Sissons, Counsel

Respondents : Ms L Chamberlain, Mr P Seifter
and Mr C Barton-Grimley

Representatives : Ms Chamberlain and Mr P Seifter
in person

Type of Application : For the determination of an
application for the appointment of
a manager

Also present : Mr D Powell (Applicant's proposed
manager), Mr B Cousins (friend of
Applicant) and Mr R Wayne
(Respondent's proposed manager)

Tribunal Members : Judge P Korn (chairman)
Ms S Coughlin

**Date and venue of
Hearing** : 24th September 2015 at 10 Alfred
Place, London WC1E 7LR

Date of Decision : 9th November 2015

DECISION

Decisions of the Tribunal

- (1) The requirements of sub-sections 24(2)(a) of the Landlord and Tenant Act 1987 (the “1987 Act”) have been fulfilled and the Tribunal hereby makes the order set out in Appendix 2 to this decision appointing Mr Darren Powell as manager of the Property for a period of 3 years.
- (2) For the avoidance of doubt, the Tribunal is exercising its discretion pursuant to sub-section 24(7) of the 1987 Act to make the order referred to above notwithstanding any deficiencies contained in the preliminary notice required by section 22 of the 1987 Act.
- (3) The Tribunal makes an order under section 20C of the Landlord and Tenant Act 1985 that the costs (if any) incurred by the Respondents in connection with the proceedings before the Tribunal in this case are not to be regarded as relevant costs to be taken into account in determining the amount of any service charge payable by the Applicant.

The application

1. The Applicant seeks the appointment of a manager over the Property pursuant to section 24 of the 1987 Act.
2. The Property is a semi-detached house which has been converted into three residential flats. The Applicant is the leaseholder of the Garden Flat. The Respondents are joint freeholders and also control the other two flats (the First Floor Flat and the Top Floor Flat) between them.
3. Mr Andrew Strong of Atlantis Estates was appointed as manager of the Property by a previous tribunal in 2011 for a period of 3 years but, whilst they differ on the details, it is common ground between the parties that this arrangement did not work well. As an interim measure the Respondents have appointed Mr Wayne (their alternative proposed manager) as managing agent.
4. The relevant legal provisions are set out in Appendix 1 to this decision.

Preliminary issue

5. Before dealing with the substantive issue of whether the Tribunal should order the appointment of a manager, it is necessary first to deal with the question of whether a notice complying with section 22 of the 1987 Act was served on the landlord (and any other relevant person) prior to the making of the application for the appointment of a manager.
6. It is common ground between the parties that a notice was served on the joint landlords, but there is a question as to the adequacy of the contents of that notice. The grounds for the application are stated in the notice to be that “the freeholders are dysfunctional, not undertaking their responsibilities and obligations as freeholders, preventing substantial maintenance and repair of the building”. The

evidence stated in the notice as that relied on by the Applicant is “conduct and correspondence with the freeholders exhibited in the Evidence File to be lodged with the Tribunal”, and the notice also states that “it appears that matters are not capable of being remedied”.

7. The notice is not, in our view, as informative as it might be, and it could be argued that it does not adequately alert the Respondents to the details of the Applicant’s concerns. However, at the hearing the Applicant said that the Respondents were very well aware of what the problems were, and this was not denied by the Respondents. Furthermore, the Respondents said at the hearing that they were not opposed to the appointment of a manager and that they agreed with the Applicant that the building was in urgent need of repair. The point of disagreement between the parties in respect of this application was in relation to the identity of the manager. The Respondents’ own preference was for the current managing agent, Mr Wayne, to be appointed manager but they agreed that a manager (rather than simply a managing agent) was now needed in order for the person responsible for management to have the necessary authority and tools to manage the Property effectively.
8. Under sub-section 24(7) of the 1987 Act the Tribunal may make an order for the appointment of a manager notwithstanding “(a) that any period specified in the notice in pursuance of subsection (2)(d) of that section was not a reasonable period, or (b) that the notice failed in any other respect to comply with any requirement contained in subsection (2) of that section ...”. The application for the appointment of a manager was made several months ago and it is clear from the evidence submitted by both parties that there have been problems with the management of the Property for years. Furthermore, both parties agree that a manager should be appointed. In the circumstances, it is appropriate in our view to exercise our discretion under sub-section 24(7) not to dismiss this application simply by virtue of any deficiencies that might exist in the preliminary notice.

Applicant’s submissions

9. At the hearing, Mr Sissons set out the background to the application. No works had been done since 2011 and there was now an urgent need to carry out repairs. The primary concern was the actual condition of the Property, but there were also other issues such as a periodic failure to insure the building. Mr Sissons referred the Tribunal to the relevant pages of the hearing bundle by way of supporting evidence for these concerns and for the Applicant’s contention that the problems resulted in large part from the Respondents’ management failings.
10. The Applicant was relying on sub-sections 24(2)(a)(i) and 24(2)(b) of the 1987 Act as the grounds for her application, namely that the Respondents are in breach of obligations owed by them to the Applicant under her tenancy relating to the management of the premises and that other circumstances exist which make it just and equitable for the order to be made.

The Applicant's proposed manager – Mr Powell

11. The hearing bundle includes details of Mr Powell's qualifications and experience, as well as details of his professional indemnity insurance cover, his proposed management plan and a draft management order.
12. At the hearing he said that he was confident that he could provide a local personal service despite being part of the relatively large firm of Ringley and that he would be the first point of contact. He confirmed that Ringley deal with many small blocks. One advantage of Ringley's size was that they were large enough to be able to provide a full service, including a system for emergencies and out of hours contact. The Tribunal asked him questions about his qualifications and experience.
13. Mr Powell acknowledged that his responsibility would be to the Tribunal, not to the Applicant, and he said that he would litigate if necessary to perform his duties. He had not yet gone through the leases or visited the Property.

The Respondents' alternative manager – Mr Wayne

14. Mr Wayne said that he had been personally recommended to Ms Chamberlain and that he had been in property management for 25 years. He specialises in small blocks and only deals with properties which are local to his office. He said that he offered to meet the Applicant but that this offer had been turned down.
15. He manages about thirty blocks and there are three people in his office, himself and two administrators. Mr Sissons asked him about his existing management agreement with the Respondents, which was expressed to be for a term of 3 years and was therefore a qualifying long term agreement, yet the Applicant had not been consulted on it. Mr Wayne said that it was not intended to be a 3 year agreement and that the reference to 3 years was a typographical error. Mr Sissons noted that Mr Wayne had not mentioned this point in response to the Applicant's solicitors' letter of 1st September 2015 despite their having expressly raised the issue of non-consultation. Mr Sissons also noted that Mr Wayne had not supplied the Applicant's solicitors with details of his property management experience when requested to do so.
16. Mr Wayne confirmed in cross-examination that he had not as managing agent taken any steps in relation to the works which needed doing to the Property, but he said that he been instructed not to do anything as the case was coming to the Tribunal. When asked why he could not at least have instructed a surveyor to start the process he said that he had not been put in funds to do this.
17. In response to the observation that he had previously been criticised for not knowing the RICS Code he said that he had now read it. It was noted that he had not provided written details of his qualifications and experience, or details of his professional indemnity insurance cover, or a proposed management plan, or a draft management order. He said that he had reservations about some of the terms of the Applicant's draft management order.

Ms Selby's evidence

18. The Tribunal was referred to Ms Selby's witness statement. In response to a question as to why she had been in such a rush to send in her application when a new managing agent was in place, she said that Ms Chamberlain had not told her who the managing agent was and the relationship between the Applicant and the Respondents had already broken down. She denied that she had refused to meet Mr Wayne and she referred the Tribunal to her solicitors' letter of 18th June 2015 in which they stated that she was prepared to consider not proceeding with her application if the Respondents could provide detailed information as to how they and the managing agent proposed dealing with the repairs needed to the Property.
19. When asked why the reasons for the application appeared to have changed and become more detailed she said that this was simply because initially she had not had the benefit of legal advice. When asked why she suddenly applied to the Tribunal having given no indication in correspondence the previous day that she planned to do so she referred to an email dated 19th March 2015 from Ms Chamberlain asking her not to write to the Respondents direct.

Applicant's further submissions

20. In Mr Sissons' submission the parties are unable to agree on anything and as a result of this the management of the Property has ground to a halt. The grounds for the application were clearly made out, the Property being in serious disrepair as a result of the Respondents' management failings.
21. As regards Mr Wayne, the Respondents' alternative manager, no formal application had been made by the Respondents for him to be appointed. He had produced none of the basic information that the Tribunal would expect to see in order to decide whether he would be a suitable manager, despite the fact that the Applicant's solicitors had already raised some of these issues with him. He was not happy with the Applicant's draft management order but had not offered an alternative. Mr Sissons suggested that the real reason why Ms Chamberlain wanted Mr Wayne as manager was because she thought that she would be able to control him.
22. Mr Sissons noted that Mr Powell, by virtue of being part of Ringleys, had greater resources at his disposal than Mr Wayne and that this was important in a conflict situation. He accepted that Mr Wayne was very local, but Mr Powell was only in Camden which was not very far away. As regards Mr Wayne's charges, looking at the agreement that he had entered into with the Respondents it seemed to Mr Sissons that it covered a limited range of services and that therefore there were likely to be many extra charges for additional services.

Respondents' submissions

23. In their written statement the Respondents set out their perspective on the history of the dispute but stated that they did not object to the Tribunal appointing a manager at all. They also expressed the view that the Tribunal would need to have

an extraordinary reason to override the freeholders' bona fide choice of a manager and impose on them a less suitable one chosen by the Applicant.

24. As to whether the Respondents would prefer the Tribunal not to appoint a manager rather than appointing Mr Powell, they were split. Ms Chamberlain's preference was for the Tribunal to appoint nobody rather than appoint Mr Powell, whilst Mr Seifter's overriding wish was for the Tribunal to appoint a manager and therefore – if the Tribunal was not prepared to appoint Mr Wayne – he would prefer Mr Powell to be appointed if the alternative was for nobody to be appointed. Mr Barton-Grimley was not at the hearing to give his opinion.
25. The Tribunal asked Ms Chamberlain and Mr Seifter whether they had any comments on the terms of the Applicant's proposed management order. Ms Chamberlain said that she was unhappy with Mr Powell's proposed charges whilst Mr Seifter said that he would prefer a manager to be appointed for a shorter period than the period specified in the draft order.

Tribunal's analysis

26. For the reasons given earlier we consider it appropriate to exercise our discretion pursuant to sub-section 22(7) not to reject this application simply by virtue of any deficiencies that there might be in the preliminary notice.
27. Having considered the written and oral evidence, including the witness evidence, we are satisfied in principle that a manager should be appointed. The hearing bundle contains sufficient evidence that the Respondents are in breach of their obligations to the Applicant as her joint landlord in relation to the management of the Property. In addition, whilst the Respondents take issue with the Applicant's analysis of some of the background to this application they concede that there are ongoing failings. The Respondents also accept that a Tribunal-appointed manager (as distinct from a managing agent reporting to the Respondents) is needed.
28. In our view, it is clear, and therefore we are satisfied, that the failings referred to in sub-section 24(2)(a)(i) of the 1987 Act exist as a matter of fact and also that the problems have been of sufficient duration and are sufficiently serious and intractable that it is just and convenient to make the order in all the circumstances of the case as per sub-section 24(2)(a)(iii). Although we are not satisfied that a strong enough case has been made to demonstrate that sub-section 24(2)(b) has also been satisfied, as Mr Sissons sought to argue, this is an academic point as in our view sub-section 24(2)(a) has been satisfied.
29. We now turn to the issue as to which of the proposed managers – if either of them – should be appointed as manager, and if so on what terms. For the avoidance of doubt, even though in our view it is appropriate in principle for a manager to be appointed, if neither candidate is suitable then neither should be appointed.
30. Mr Powell, in our view, came across well. Although he has not been involved in property management in England for a long time he has considerable experience in New Zealand and England combined and is MRICS qualified. His paperwork

(management plan etc) looks professional and he gave competent answers to questions raised at the hearing. He also came across as tough enough to deal with disputes between the different flat owners and capable of acting impartially in the interests of good management of the Property. In addition he has the back-up of working at a firm which is of a sufficient size that he should be able to deal with emergencies, deal in-house with most issues which may arise and be kept fully up to date with all relevant law and practice. He is based in Camden, but this is near enough to the Property for it not to be a significant issue, save in circumstances where his merits and those of another potential manager were virtually identical. He has not yet visited the Property nor read the leases, but the commercial reality is that it is probably not cost-effective for him to do so unless and until appointed. In conclusion, we are satisfied that he would make a suitable manager.

31. Mr Wayne is clearly very experienced and he is also local to the Property and specialises in small local blocks. However, no formal application was made prior to the hearing for him to be considered as an alternative manager. In addition, despite it being clear from the directions as to the documentary information needed by the Tribunal to enable it to consider the suitability of the Applicant's proposed manager, very little such information has been supplied in relation to Mr Wayne. Furthermore, the Applicant's solicitors themselves raised with Mr Wayne the need for this information but he still did not supply anything other than a two page standard marketing brochure. In any event, a suitable appointee as manager would know what information was needed by the Tribunal.
32. Mr Wayne has not supplied a management plan and therefore we do not know what his plan would be and nor did the Applicant have an opportunity to cross-examine him on it. He has not supplied a draft management order but does not agree with Mr Powell's draft management order and therefore we do not know on what basis he is seeking to be appointed. He has not provided details of his professional indemnity cover nor has he provided a detailed curriculum vitae. He has previously been criticised for failing to read the RICS code and he has seemingly entered into a qualifying long term agreement with the Respondents without consulting the Applicant as leaseholder. At the hearing Mr Wayne came across as quite casual in his approach. A relaxed style is not necessarily a bad thing at all, but he did not give us the confidence that he would take the legislation and the formalities of the role of manager seriously enough to be a suitable appointment. In any event, in the absence of a written management plan, a draft management order, details of his professional indemnity and (albeit less important) a detailed curriculum vitae there is no credible basis on which the Tribunal can appoint him as manager.
33. In written submissions the Respondents have expressed the view that the Tribunal would need to have an extraordinary reason to override the freeholders' bona fide choice of a manager and impose on them a less suitable one chosen by the Applicant. However, first of all we do not agree that Mr Powell is less suitable, and the Respondents have provided no real justification for their assertion. Secondly, the assumption underlying this statement is flawed. The appointment of a manager involves taking away the freeholders' management responsibilities and transferring them to someone else as a result of the freeholders' own failings. In these circumstances, there is no presumption that the freeholders – having failed to discharge their own responsibilities – have a right to select the manager

or have any greater say than the Applicant. The Tribunal has to decide, as it has done, whether a manager should be appointed. If one potential manager is proposed it then needs to decide whether that person is suitable. If two alternative managers are proposed the Tribunal needs to decide which of them is the more suitable, and it is open to the Tribunal to decide that neither is suitable.

34. In this case, on the basis of the information that we have, we are satisfied that Mr Powell would make a suitable manager but we do not consider that Mr Wayne would be a suitable manager. We therefore consider that it would be appropriate to appoint Mr Powell as manager.
35. As regards the terms of his appointment, Ms Chamberlain was concerned about the level of his proposed charges. Whilst we have seen lower management fees we consider his proposed fees to be within a band which could be described as reasonable, and therefore we do not consider that he should be required to reduce them. Mr Seifter felt that the appointment should not be for as long as 3 years, but in our view this is a sensible and appropriate length of time. It is common ground that there have been serious problems with the management of the Property over a long period, and there is no good reason to believe that the problems can be fixed quickly or that it would be sensible for Mr Powell only to be given 1 or 2 years with the risk that the old management problems will simply return. In the event that matters do not proceed well, as occurred after the previous appointment of a manager in relation to the Property, any interested person can apply to the Tribunal under section 24(9) of the 1987 Act vary or discharge the order.
36. As regards the other terms of the draft management order, these are reasonable in our view. However, it would be preferable in addition for the manager to have an express power to take legal action and for the Respondents to have an express obligation to provide the manager with any documentation needed by him, and clauses covering these points have been inserted as clauses 11 and 12.

Cost applications

37. The Applicant has applied for a section 20C order, this being an order that the Respondents may not include in the service charge any costs, or a proportion of the costs, incurred in connection with these proceedings. In our judgment it would be just and equitable in all the circumstances to make such an order and to order that the Respondents may not include in the service charge any costs incurred by them in connection with these proceedings, if indeed they have incurred any such costs. The Applicant has been successful in her application for the appointment of a manager and was therefore justified in making the application, and whilst the Applicant may not at all times have dealt with the Respondents in a sensible and constructive manner the need for the appointment of a manager was precipitated by significant management failings on the part of the Respondents.
38. There were no other cost applications.

Name: Judge P Korn

Date: 9th November 2015

Appendix 1 – relevant legislation

Landlord and Tenant Act 1987

Section 22

- (1) Before an application for an order under section 24 is made in respect of any premises to which this Part applies by a tenant of a flat contained in those premises, a notice under this section must (subject to subsection (3)) be served by the tenant on (i) the landlord and (ii) any person (other than the landlord) by whom obligations relating to the management of the premises or any part of them are owed to the tenant under his tenancy.
- (2) A notice under this section must ... (c) specify the grounds on which the tribunal would be asked to make such an order and the matters that would be relied on by the tenant for the purpose of establishing those grounds; (d) where those matters are capable of being remedied by any person on whom the notice is served, require him, within such reasonable period as is specified in the notice, to take such steps for the purpose of remedying them as are so specified ...

Section 24

- (1) A tribunal may, on an application for an order under this section, by order (whether interlocutory or final) appoint a manager to carry out in relation to any premises to which this Part applies (a) such functions in connection with the management of the property, or (b) such functions of a receiver, or both, as the tribunal thinks fit.
- (2) A tribunal may only make an order under this section ... (a) where the tribunal is satisfied – (i) that any relevant person is in breach of any obligation owed by him to the tenant ... and that it is just and convenient to make the order in all the circumstances of the case, and ... (iii) that it is just and convenient to make the order in all the circumstances of the case ... or (b) where the tribunal is satisfied that other circumstances exist which make it just and convenient for the order to be made.

.....

- (7) In a case where an application for an order under this section was preceded by the service of a notice under section 22, the tribunal may, if it thinks fit, make such an order notwithstanding – (a) that any period specified in the notice in pursuance of subsection (2)(d) of that section was not a reasonable period, or (b) that the notice failed in any other respect to comply with any requirement contained in subsection (2) of that section ... tribunal may only make an order under this section ...

Appendix 2 – Management Order

FIRST-TIER TRIBUNAL (PROPERTY CHAMBER)

LON/00AG/LAM/2015/0008

RE: 24 HIGHGATE WESTHILL, LONDON N6 6NP
BETWEEN:

(1) MISS JULIE SELBY

Applicant

-and-

(2) MISS LESLIE VERONICA CHAMBERLAIN
MR PAVEL SEIFTER
MR COLIN BARTON-GRIMLEY

Respondents

ORDER

FOR THE APPOINTMENT OF DARREN POWELL AS MANAGER AND RECEIVER

IT IS ORDERED THAT:

1. Darren Powell of Ringley Chartered Surveyors (“the Manager”) be appointed manager and receiver of the property for a period of three years with effect from one calendar month after the determination of this application.
2. He shall manage the property in accordance with:
 - a. The respective obligations of the landlord and the lessees under the various leases by which the flats at the property are demised, and in particular, but without prejudice to the generality of the foregoing, with regard to the repair, decoration, provision of services and insurance of the property; and
 - b. In accordance with the duties of a manager set out in the Service Charges Residential Management Code (“the Code”) published by the Royal Institution of Chartered Surveyors and approved by the Secretary of State pursuant to Section 87 of the Leasehold Reform Housing and Urban Development Act 1993;
3. Without prejudice to the generality of clause 2 above:
 - a. He shall, within one calendar month of the commencement of his appointment, arrange for a suitably qualified surveyor to attend the property to prepare a schedule of the works that need to be carried out in

order to comply with the landlords' repairing obligations. The instructions to the surveyor shall include copies of all three leases and state that the works to be included in the schedule are all and only those which the landlord is obliged to carry out under the terms of the leases.

- b. He shall arrange for the consultation procedure under s.20 of the Landlord and Tenant Act 1985 to be complied with in full and promptly, and for the schedule of works referred to in sub-paragraph a above to be attached to the initial Notice of Intention to Carry Out Major Works.
 - c. He shall arrange for the works to be carried out with all dispatch following completion of the consultation process.
4. He shall manage the property fairly, impartially and in accordance with the terms of the leases.
 5. He shall not subcontract or employ any of the leaseholders to provide any service or carry out any work in respect of the property.
 6. He shall be responsible for keeping proper Service Charge accounts and preparing and serving invoices on the lessees. All charges shall be apportioned in accordance with the terms of the leases.
 7. He will receive all sums whether by way of ground rent, insurance premiums, payment of service charges or otherwise arising under the said leases.
 8. He will account forthwith to the freeholder owners for the time being of the property for the payments of ground rent received by him and will apply the remaining amounts received by him (other than those representing his fees as hereby specified) in the performance of the landlords' covenants contained in the said leases.
 9. He will make arrangements for the present insurers of the building to make any payments under the insurance policy presently effected by the landlord to him.
 10. He will be entitled to the following remuneration (which for the avoidance of doubt shall be recoverable as part of the said service charges in accordance with the said leases) namely:
 - a. A basic fee of £1,750 plus VAT in the first year.
 - b. In subsequent years, the initial basic fee of £1,750 plus VAT shall be subject to increase by the greater of (i) 5% per annum and (ii) indexing according to the Retail Prices Index.
 - c. Any additional fees for specific services as set out in the Menu of Services & Charges in the attached Management Plan.
 - d. The terms and conditions of the manager's appointment, subject to the matters set out above, will be those set out in the Management Plan annexed hereto.

11. He shall have the power in his own name or on behalf of the Respondents to bring or defend any legal action or other legal proceedings in connection with the leases or the property and to make any arrangement or compromise on behalf of the Respondents including but not limited to:
 - a. proceedings against any lessee in respect of arrears of service charges or other monies due under the leases;
 - b. legal action to determine that a breach of covenant has accrued;
 - c. legal action to prevent a further breach of covenant.

12. The Respondents shall within 28 days after the 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 for the management of the property as are within their custody, power or control together with any such as are in the custody, etc of any of its agents, in which latter case it shall take all reasonable steps to procure delivery from its agents.

13. The manager will have liberty to apply to the Tribunal for further directions if so required.

Chairman: Judge P. Korn
Date: 9th November 2015

Management Plan for 24 Highgate West Hill, London N6 6NP
In support of the Application of Miss Julie Selby for the appointment of Darren Powell of the Ringley Group as a manager
Application ref. LON/00AG/LAM/2015/0008

Whilst it is impossible to predict the needs of the block in its entirety at this stage we are able to set out an interim plan as follows:

1. Set up the schedule of leaseholders, the number of service charge funds and the percentages for each leaseholder for each fund.
2. Read and bookmark lease for the 19 key clauses which underpin property management, i.e. repairing clauses, service charge clauses, carpeting, nuisance, subletting etc.
3. Inspect the property to identify:
 - a. cyclical maintenance issues
 - b. check adequacy of any contract performance on cleaning, gardening etc.
 - c. any alleged breach of leases
 - d. immediate reactive maintenance needs
 - e. consider if necessary appointing a Chartered Surveyor or Building Engineer to advise on dilapidation issues and put in place a strategy to complete works that remain outstanding since previous decorations including any alleged health and safety breaches, and take advice on a move towards a programme of planned cyclical maintenance and repair.
4. Subject to funds availability, instruct reactive maintenance as necessary arising from No. 3.
5. Subject to funds availability, commission a risk assessment to comply with The Regulatory Reform (Fire Safety) order 2005.
6. Subject to funds availability, commission a Type 1 Asbestos Survey to Control of Asbestos at Work Regulations Act of 2002 which came into force in 2004:
7. Consider the provisions in the lease to enable recharging any maintenance items to the leaseholder if the item is not to a communal pipe or the Freeholders retained structure and fabric of the building.
8. Review the lease and past accounts and in light of known expenditure prepare a service charge budget.
9. Review the site inspection and Freeholder's repairing clauses in the lease to prepare a rolling reserves plan.
10. Commence demanding 'reasonable and justified' service charges as soon as possible under the lease to the site in funds.
11. Schedule routine site visits for the property (4 per year)

12. Consider the cost of any larger items in the context of the Section 20 consultation requirements and ensure proper statutory consultation is carried out with all those liable to contribute, arising from No. 3 (e) with a view to having the works done as soon as possible.
13. Check the status of the accounts for the block and place with an external accountant if required, together with compiling any back years accounts if so ordered by the Tribunal.
14. Instruct an insurance valuation and check the sum insured is adequate. Obtain copies of Insurance Policy and circulate to Lessees.

MANAGER'S MENU OF SERVICES & CHARGES

FEE BASIS – MANAGEMENT PACKAGE

Agreed setting up fee	£500 Payable only in the event of the appointment being terminated by the Client within eighteen months from commencement of the Agreement.
Annual management fee	The greater of a fixed fee of £200 + VAT per unit per annum to be paid quarterly in advance or minimum fee of £1750 + VAT per annum whichever is the greater.
And	the Agent shall be entitled to retain any commission received by him for arranging insurance(s) in respect of the Property, without accounting to the Client.
Supplement for managing metered utilities	Where applicable, additional fees for reading gas meters & separately accounting this to the individual properties: £350
Supplement for running automated payroll	Where applicable, £250 to include: Wage slips, Annual Employers PAYE Return P35 & accounting monthly payments to revenue authorities.
Supplement for P11D's	Where applicable, £100 for P11Ds where a porter has accommodation in connection with their employment, land telephones with private usage or vehicles or other benefits in kind or personal expenses reimbursed.
Preliminary enquiries	Dealing with preliminary enquiries from £170 + VAT Registering notices of assignment, including notice of mortgage from £60 + VAT

Services excluded from the fixed rate Block Management Fee

- a) Carrying out an inspection of the Property (other than the common parts thereof), or a building survey or valuation of the Property for security purposes, or preparing or checking an inventory;

Single Item Defect Report – from £350 + VAT

Building Survey – from £850 + VAT
Asset Valuation- from £400 + VAT
Freehold Enfranchisement valuation – from £600 + VAT

- b) Offering vacant property to let, preparing tenancy agreements, advising the Client on rents, consulting Rent Officers and making submissions to the Rent Assessment Committee, advising the Client on the terms of any lease or negotiating the terms of any new or varied lease;

Preparation of Tenancy Agreement - £150 + VAT
Finding a tenant for a residential letting – 8% of the annual rent
Preparation of evidence and Rent Officer applications – from £400 + VAT
Preparation of Deed of Variations to extend or vary a single clause in a lease – from £400 + VAT

- c) Advising on right to manage, freehold purchase/enfranchisement application and/or the sale of shares in any Freehold company to non-freehold owners or any non-demised parts of the building; including preparing statutory valuations, service of notices, formation of right to manage and/or freehold/management companies, preparation of EGM notices, attendance at meetings, changes to the company structure (Memorandum and Articles of association) to facilitate any grant/issue/allotment of shares, sale of shares, managing a bank account for the purpose, negotiating premiums, advising on how to deal with/allocate the proceeds of sale including grant of dividends, advance corporation tax and executing deed of variation to grant lease extensions;

Right to Manage Applications – Serving participation notice - £100
Right to Manage Applications – Serving claim notice - £250
Lease Extension valuation – from £300 +VAT
Freehold Enfranchisement valuation – from £600 + VAT
Serving Notice for information or to claim rights for enfranchisement or lease extension – from £250 + VAT
Preparation of Deed of Variations to extend or vary a single clause in a lease – from £400 + VAT
Checking constitution of a company, calling a meeting & drafting changes to the Memorandum & Articles of Association to enable shares to be sold in the Freehold Company or disposal of part of the building - £250 + VAT
Formation of a RTM or RTE Company - £160 + VAT
Negotiation on enfranchisement and right to manage matters - £150 per hour

- d) Post questionnaire or board resolution to vary a defective lease clause under S37 of the 1987 Landlord & Tenant Act to draft replacement lease clauses, prepare a case for First Tier Tribunal and register changes to the lease with HM Land Registry;

Preparation of Deed of Variations to extend or vary a single clause in a lease – from £400 + VAT

- e) Initiating or responding to, conducting, negotiating with the parties, preparing evidence for and attending hearings or First Tier Tribunal and otherwise dealing with any rent review, party wall proceedings, application for a grant or for consent, insurance claims, arbitration or litigation; For FTT, Court Work, Arbitration or Litigation hourly rate applies, from £80-£150 depending on grade of person attending
Rent review initial report – from £350
Rent review negotiations – greater of £600 or 10% of the new rent agreed

Party Wall Act work – from £750 per award

- f) Preparing statutory notices to include consultation notices to comply with landlord & tenant legislation

Service of Section 20 Notices – fees depend on value of works

Stage 1 – from £100 + VAT

Stage 2 – from £250 + VAT

Stage 3 – from £100 + VAT

- g) Dealing with 3rd party company secretaries to maintain the legal ownership registers where notice of transfer is not received from a purchaser on sale and detective work is required to trace sales that are not notified to us, dealing with non-panel accountants or an accountant who will not visit our offices to view bank, invoice & other audit records to which a time charge for copying original records will apply.

Hourly charge as per time taken, rate depends on expertise of staff involved from £80-£150 per hour.

- h) Dealing with local government matters including registration of House in Multiple Occupation, council tax valuations, planning permission, building regulations consent and grant applications;

Hourly charge as per time taken, rate depends on expertise of staff involved from £80-£150 per hour.

- i) Advising on or assisting with enforcing contracts where the contracting parties do not include the Client/Client Company, or where Ringley were not the appointed managing agent/contract administrator at the time hence researching time is required;

Hourly charge as per time taken, rate depends on expertise of staff involved from £80-£150 per hour.

- j) Supervising and verifying the performance of contractors or other professional consultants whose work would normally require verification by a surveyor; i.e. where repair or improvement works are procured via an informal tender situation as opposed to a project run by an Engineer under a JCT contract.

Fee basis the greater of an hourly rate fee for acting on the instructions of the Client or 5% whichever is the greater.

- k) Acting as liaison between Directors, Lessees for capital works projects on which Ringley are not appointed as Contract Administrator including the co-ordination of outside consultants, contractors.

Fee basis for such works to be remunerated at:

Value of works	£1-£50,000 – 3%,
	£50-£100,000 – 2.5%,
	£100-£200,000 – 2%
	£200-£300,000 – 2%
	£300,000+ - 1.5%

- l) Preparing specifications for tender, supervising and measuring works the cost of which exceeds the specified expenditure limits and for non-routine matters and where expenditure is in excess

of the limits contained in the Landlord and Tenant Acts 1985 and 1987 or as subsequently amended;

From 8-15% of the value of the works, chargeable £1,000 for specification, £750 for tender analysis with balance drawn down as job milestones reached.

- m) Advising on safety or health matters to any part of the property including Access Audits, compliance with the Disability Discrimination Acts, Water Treatment or other requirements laid down by insurers, the Local Fire Officer or local government;

Hourly charge as per time taken, rate depends on expertise of staff involved from £80-£150 per hour.

- n) Complying with requirements on Clients by their insurers or health & safety legislation insofar as they relate to the waste, neglect, negligence, lack of repair or compliance with IEE, gas safety or water regulations as applicable to individual flats;

Hourly charge as per time taken, rate depends on expertise of staff involved from £80-£150 per hour.

- o) After notifying a lessee in writing 2 times of a potential breach of covenant, preparing repairs and/or breach of covenant or forfeiture notices is chargeable;

Charge to lessee in default, legal letter £20 + VAT

Letter setting out breach of specific clauses in the lessee - £105 + VAT

Section 146 Notice - £200 + VAT

- p) Any advertising and recruitment of staff on behalf of the Client;

Disbursements as passed on by newspaper or advertising media

- q) Supplying extra copies of statements of account and copies of any other documents;

Copy charge is 10pence per sheet + hourly rate for administrative time incurred at a maximum of £80 per hour

- r) If the Client is a company, acting as Company Secretary;

1-5 flats - £210 + VAT per year

6-20 flats - £260 + VAT

20+ flat - £260 + £6 per additional flat > 20 flats

- s) Dealing or advising upon applications for assignment of tenancies or leases, sub-lettings, alterations and changes of use.

Surveyors Pre works determination – this is a desk based determination whereby a Building Engineer/Building surveyor to confirm that the works require a structural assessment or ruling that works as whole will not adversely affect the structure of the building.

Our fees for stage 1 are: £150 + VAT (£176.25)

Structural Assessment – if required

Building Surveyor/Building Engineers inspection/tracing all load bearing walls or mapping external wall openings through the entire building to enable an impact assessment of the loading and load transfer impact of your proposals. This may be desk based where we have lease/design plans all units otherwise your co-operation to organise access with neighbours will be necessary. Fees are based on our hourly rate of £150 per hour.

Legal fees for preparing the Licence to Alter – Our fees for stage 3 are: £250 + VAT (£293.75)

Inspection Fees – Where works are ‘structural’ a final inspection is always required. Depending on the risk of the works to other parts of the building it may be a requirement of the Licence that temporary works are inspected and/or other inspections during the course are made to ensure works are effected safely so as not to prejudice the integrity of the remainder of the building. This allows for inspection during the construction phase for the project and allows to ensure that structural supports necessary are actually installed. Our fees for stage 4 are at our hourly rate of £150 per hour.

- t) Providing copies (other than odd 1 off copies) of supporting invoices of other property records. All property records and invoices will be made available for inspection at our offices during working hours with or without appointment at no charge.

Copy charge is 10pence per sheet + hourly rate for administrative time incurred at a maximum of £80 per hour

- u) Ringley has a panel of accountants who, if appointed, will inspect Client bank statements, invoices, paying in book, cheque book stubs, bank reconciliations and other relevant information on site at Ringley House. Where a Client chooses a panel accountant no charges will be made for taking copies of the Client’s full financial records for collection or despatch, otherwise the copy charge below, subsequent revision thereof, will apply.

Copy charge is 10 pence per sheet + hourly rate for administrative time incurred at a maximum of £80 per hour.
