

10780



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

**Case reference** : LON/00BK/LSC/2013/0315 (1)  
LON/00BK/LVM/2015/0005 (2)

**Property** : Welford House, 114 Shirland Road  
London W 9 2 BT

**Applicant** : Mr M Young (FTT Appointed  
Manager)

**Representative** : Mr P Simon (in-house lawyer with  
Integrity Property Management  
Ltd)

**Respondent** : Ms S Demeshghi (Flat A and B and  
freeholder)  
Mr S Koehne (part owner of Flat A)  
Mr E Huq (Flat C)  
Mr D Walker (Flat D)  
Mr E Arwas (Flat E)  
Mr J Erskine (Flat F)  
Mr R Bachour (Flat G)  
Mr D Benton (Flat H)  
Mr and Mrs D Oliver (Flat I)  
Mr D Noble and Ms S Hardwick  
(Flat J)  
Mr H Speechly (Flat K)  
Mr J Cavallini (Flat L)  
Mr B Gregus (Flat M)  
Messrs S and J Patel (Flat N)  
Mr Q Parry (Flat O)  
Mrs D Fierstone (Flat P)

**Representative** : Mr Arwas represented all of the  
lessees other than Mr Parry, Ms  
Demeshghi and Mr Koehne  
Ms Demeshghi represented herself

**Type of application** : For the determination of the  
reasonableness of and the liability  
to pay a service charge (1)  
The variation of the management  
order (2)

**Tribunal members** : **Judge Carr  
Mr T Sennett  
Mr A Ring**

**Date and venue of hearing** : **29 and 30 September 2014, 23 and 24 March and 21<sup>st</sup> April 2015**  
**10 Alfred Place, London WC1E 7LR**

**Date of decision** : **20<sup>th</sup> May 2015**

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**DECISION**

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## **Decisions of the Tribunal**

- (1) The Tribunal determines that the estimated costs of the major works are reasonable and payable.
- (2) The Tribunal determines that the apportionment of the costs of the major works should be in accordance with the Applicant's proposed Option C.
- (3) The Tribunal determines to vary the management order as proposed by the Applicant excepting the term which is extended to 5<sup>th</sup> May 2018.
- (4) The Tribunal makes the determinations as set out under the various headings in this Decision.
- (5) The Tribunal does not make an order under section 20C of the Landlord and Tenant Act 1985.

## **The application**

1. The history of the applications being considered by the Tribunal is set out in the interim decision dated 30<sup>th</sup> of September 2014, the interim directions issued on 24<sup>th</sup> March 2015 and in the directions following the CMC dated 21<sup>st</sup> April 2015.
2. In brief the Tribunal is determining an application under s.27A of the Landlord and Tenant Act 1985. This application was originally made by a group of leaseholders. The Tribunal determined in its interim decision of 30<sup>th</sup> September 2014 that this application was more appropriately made by the Tribunal appointed manager and made directions to ensure that this happened. This application is numbered LON/00BK/LSC/2013/0315.
3. The Tribunal is also determining an application under section 24(9) of the Landlord & Tenant Act 1987 to vary the management order made appointing Mr Young dated 26<sup>th</sup> March 2015 to include certain commercial areas and to extend the appointment for an indefinite period[LON/00BK/LVM/2015/0005].
4. It should be noted that Ms Demeshghi applied for adjournments on each occasion that the Tribunal was convened on the basis of her poor health. The Tribunal refused all these applications on the grounds (i) that it was important that the matter be resolved in as timely a manner as possible (the application was made originally in 2013) and (ii) that Ms Demeshghi was in a position to instruct a representative in the

event that poor health prevented her attendance. The Tribunal notes that Ms Demeshghi was present at all the hearing dates other than one as outlined below.

5. The relevant legal provisions are set out in the Appendix to this decision.

### **The hearing**

6. The Applicant and his representative Mr Simon attended all of the hearings as did Mr Arwas. Ms Demeshghi attended the September hearings and the first day only of the two day hearing in March 2015. On the second day of the hearing the Tribunal office received a phone call from Ms Demeshghi stating that she was in the casualty department of the Charing Cross hospital. However Ms Demeshghi was then present on 21 April at the subsequent CMC.
7. The Tribunal reached its decisions following consideration of evidence from the parties on March 24<sup>th</sup> and 25<sup>th</sup> 2015 and consideration of submissions and documents received from the parties. In particular the Tribunal considered

(i) the bundle prepared by original applicants for the hearing in September 2014 received on 15<sup>th</sup> September 2014 and comprising 402 pages

(ii) an additional statement of facts prepared by Ms Demeshghi dated 21<sup>st</sup> September 2014

(iii) a further hearing bundle prepared for hearing in March 2015 received by the Tribunal on 16<sup>th</sup> March 2015,

(iv) a skeleton argument and chronology prepared by Integrity and handed to the Tribunal on the morning of March 23<sup>rd</sup> 2015,

(v) the lease of that part of the commercial property held by Institute of Psychoanalysis (IOPA), plans of the full extent of the site indicating different ownerships, photographic record of noted defects to the external and internal common parts from Building Surveying Solutions all tabled during the hearing on 23<sup>rd</sup> March 2015,

(vi) the statement of case of the applicant in connection with the variation of the management order prepared following the directions of 24<sup>th</sup> March 2015, and dated 26<sup>th</sup> March 2015, for the CMC on 21<sup>st</sup> April 2015 when further directions were issued

(vii) a hearing bundle prepared for the CMC following directions issued on 24<sup>th</sup> March 2015 setting out in particular details of the Applicants proposal for apportionment of service charges described as option C dated 1<sup>st</sup> April 2015

(viii) a response from the lessees represented by Mr Arwas prepared for the CMC and dated 17<sup>th</sup> April 2015

(viii) written submissions dated 27<sup>th</sup> April 2015 prepared in accordance with the directions issued at the CMC from Ms Demeshghi which did not in the opinion of the Tribunal contain any fresh matters requiring a hearing of evidence

### **The background**

8. The property which is the subject of this application is described in the interim decision of September 30<sup>th</sup> 2014.
9. Neither party requested an inspection and the tribunal did not consider that one was necessary, nor would it have been proportionate to the issues in dispute.
10. The Respondents hold long leases of the property which require the landlord to provide services and the tenant to contribute towards their costs by way of a variable service charge. The specific provisions of the lease and will be referred to below, where appropriate.

### **The issues**

11. During the course of the various hearings and applications the relevant issues for determination were identified by the Tribunal as follows:
  - (i) The payability and/or reasonableness of service charges relating to major works
  - (ii) The apportionment of those service charges between the lessees and the freeholder
  - (iii) Whether the management order should be varied
12. Having heard evidence and submissions from the parties and considered all of the documents provided, the tribunal has made determinations on the various issues as follows.

### **The payability and/or reasonableness of service charges relating to major works**

13. The Tribunal was presented with complex allegations of a history of failure to carry out repairs either at all, or to a reasonable standard, and allegations of failure to account properly for funds raised in connection with the works. The lessees had particular concerns about works organised by Ms Demeshghi to be carried out by a builder, Mr Coyle. There were also allegations made that service charges were used by Ms Demeshghi to renovate her own flats.
14. The Tribunal also received detailed allegations of failures on the part of the lessees to pay the necessary service charges in order to fund major works, or indeed to fund the day to day running of the property.
15. The Applicant produced a witness, Mr David from Building Surveying Solutions, who explained the current condition of the property. In brief his evidence was that the property was in very poor condition and that major works were required. There was no dispute about his evidence in connection with the condition of the property. The Tribunal was particularly helped by the bundle of photographs Mr David produced and the open and honest way he described what was required at the property.
16. There was more dispute about who was responsible for the current condition of the property. In particular there was a dispute about who was responsible for what repairs – for instance there was an argument as to the extent of the responsibilities of the commercial tenant, and the extent to which the poor condition of the property was as a result of lessees having breached the terms of the leases.
17. Much of the past history of the management of the property could not be clarified as the managing agents who preceded the Tribunal appointed manager (Lewis and Tucker) had not provided adequate records and had resisted the Tribunal's efforts to encourage them to play an active part in the current proceedings by naming them as parties.
18. Nor was Ms Demeshghi able or willing to provide her records of her management of the freehold or her dealings with Mr Coyle. In particular Ms Demeshghi was not able to account for service charges levied in connection with the major works. On the other hand Ms Demeshghi repeated constantly that lessees were in breach of their obligations under their leases and had failed to pay service charges.
19. Whilst the Tribunal is not in a position to resolve all of the disputes between the parties it is able to make determinations in connection with the scope of the works, the reasonableness of the estimated costs and the apportionment of charges between the lessees.

20. Setting aside issues relating to apportionment of costs, which are dealt with below, the arguments made by the lessees in connection with the scope and costs of the proposed works were as follows:
21. (i) the costs appear to have increased fivefold from the costs of the original proposals made in 2003 (ii) some deductions should be made for works carried out by Mr Coyle (iii) costs of works carried out by some lessees to the windows of their flats should be deducted from the current estimates and (iv) the estimated legal costs contingency in connection with carrying out the works is too high
22. The lessees also raise a specific objection to the necessity of and estimated costs arising from installing a temporary roof.
23. Mr David provided evidence in connection with the previous works and with the proposal to install a temporary roof during the works. In connection with the previous works he stated that whilst Mr Coyle had carried out some of the works originally proposed in 2003 and carried out in 2013, some of that work needed updating, some was not of good quality and also the new proposals extended the scope of what needed to be done. He argued that installing a temporary roof was a sensible and cost effective way of managing the works that needed to be done. He also pointed out that the 2015 proposals had been subject to consultation and competitive tendering, supervised by Building Surveying Solutions on behalf of the appointed manager.
24. Mr Simon explained the high level of contingency provision for legal fees on the particular difficulties faced in dealing with lessees in the building and in dealing with the freeholder. The estimated costs were derived from their experience of previous proceedings.
25. Mr Simon also explained that lessees will not be charged for works of repair or replacement to windows which are demised to the tenants. In addition he suggested that tenants would be able to utilise the scaffolding or use the contractor to carry out repair works to their windows, if needed, prior to any works of redecoration.

### **The tribunal's decision**

26. The tribunal determines that the scope and costs of the proposed works are reasonable.

### **The reasons for the Tribunal's decision**

27. The Tribunal was impressed by the evidence of Mr David. His report was professional, independent and comprehensive. The consultation and tendering process had been followed and he had paid thoughtful consideration to the views of the lessees.

28. Whilst the Tribunal would normally be concerned by such a high contingency provision for legal fees, in the peculiar circumstances of this case, the Tribunal determines that the provision is reasonable.

### **The apportionment**

29. Mr Arwas, on behalf of the lessees he represents, made a variety of submissions relating to how much monies lessees should contribute towards the proposed works.
30. In essence he argues that the lessees have already paid substantial sums towards major works and that some sort of cap should be applied to their contributions.
31. In the skeleton argument provided by Mr Simon prior to the March hearing Mr Simon usefully summarised Mr Arwas's arguments.
32. Mr Simon explains that the first position taken by Mr Arwas is that because there was no consultation prior to the freeholder entering into the contract with Mr Coyle it would be reasonable for the Tribunal to limit each leaseholder's liability to £250. Alternatively each leaseholder's liability should be reduced by the level of his or her major works contributions paid to date. A further alternative would be to calculate each leaseholder's liability on the basis of the proposed works having been properly carried out in 2003.
33. Of course if any of these proposals are accepted by the Tribunal the consequence would be a substantial shortfall in the monies required to complete the major works. The result would be either that the works would not be carried out at all, reducing the value of the lessees' assets considerably, or the Tribunal could determine that all shortfalls should be carried by the freeholder.
34. The Tribunal felt some disquiet with either of these outcomes. In particular, whilst the Tribunal considered that some of the responsibility for the failure to carry out proper and appropriate works fell on the freeholder, it was not clear that she should bear all responsibility, particularly in the light of evidence that collecting service charges and ensuring that lessees complied with the terms of their leases was very difficult. Moreover if works are carried out substantially funded by the freeholder the lessees will benefit from substantially enhanced values.
35. Whilst the parties and the tribunal were considering the best way to resolve the dispute about apportionment, Mr Young raised an additional possibility. The proposal described as option C is set out in



full in paragraphs 20 to 30 of the hearing bundle provided for the Case Management Conference on 21<sup>st</sup> April 2015.

36. Option C takes as its starting point a figure of £121,671.90 as the amount which should be available for the 2015 works after taking into account major works contributions previously demanded and amounts actually paid by lessees. That amount is to be deducted from the total figure for the proposed major works.
37. The deduction is to be met by the freeholder but in her capacity as lessee of flat B. This would enable the Tribunal appointed manager to recover the figure from her mortgagee, avoiding any further escalation of the legal dispute. Mr Young informed the Tribunal that he had already discussed this possibility with Ms Demeshghi's mortgagee.
38. If the freeholder meets £121, 671.90 of the proposed costs, other lessees' service charge demands in connection with the major works would be reduced proportionately.
39. The Tribunal asked all parties at the CMC for legal submissions in connection with Option C. No legal submissions were forthcoming. However Mr Arwas on behalf of the majority of the lessees did not want the Tribunal to proceed with Option C, which the group considered to be grossly excessive and unreasonable. Ms Demeshghi made some submissions following the CMC, but these did not address the details of Option C.
40. Mr Arwas continued to argue for what has become described as Option B. This would give a total aggregate discount of £366,000 which would leave the lessees paying a total of £50,000. He argues that this is the correct course because it provides them with full restitution. In particular he argues that it pays proper regard to the major works contributions already made to date by leaseholders, (subsequently squandered on the Coyle contract) and the cost prejudice arising out of and occasioned by landlord's failure to carry out major works. The leaseholder group he represents believes restitution of both these matters is required to achieve reasonable outcome.
41. Mr Simon accepts that proposal C is not perfect. However he argues on behalf of Integrity that it is fair to all parties and offers a way forward that is practicable and achievable, hopefully without the need for further litigation. He further argues that the proposal obviates the need to investigate the landlord for the alleged misappropriation of funds in or around 2002 and removes the burden from the tenants to prove historic neglect.

### **The tribunal's decision**

42. The tribunal determines that charges for the major works shall be apportioned as in the proposal C put forward by the Tribunal appointed manager

### **Reasons for the tribunal's decision**

43. The Tribunal does not accept the arguments of Mr Arwas that he put forward on behalf of the lessees. The Tribunal, drawing on its own expertise and in an argument that it put to Mr Arwas during the course of the hearing, considered how much money it would have been reasonable to expect lessees to spend maintaining a block of the size and character of Welford House. It determines that even a well run block would have attracted service charges far in excess of those implied by the proposed contributions under Option B.
44. The Tribunal notes that Mr David referred to the 2015 major works as generally new works; that is works not undertaken as part of the Coyle contract. It further notes that while some lessees have been tenants at the building prior to 2002 others are of more recent origin. Option B would confer a substantial windfall on tenants and no argument was put to substantiate that works under the Coyle contract were not undertaken (albeit not to perfection – see Mr David's report) and it is clear that there was benefit of repair undertaken to the building to the value of the Coyle contract.
45. The Tribunal considers that it has the power under s.27A of the Landlord and Tenant Act 1985 to determine how much is payable by each lessee when a service charge demand is made. S.27A (3) (c) makes specific reference to the amount payable by particular persons. Therefore the Tribunal can and does determine that the major works are to be funded on the terms set out in Option C.
46. Additionally or in the alternative the Tribunal considers that it has the power under s.24 of the Landlord and Tenant Act 1987 to authorise its appointed manager to proceed in this way. It draws upon the reasoning of Lord Justice Aldous in *Bruce Roderick Maunder Taylor v Hugh Sean Blaquiére* [2002] EWCA Civ 1633. In particular at paragraph 38 Lord Justice Aldous accepts the submission of Mr Fancourt that the purpose of Part II of the Act is to enable the tribunal to appoint a manager, who may not be confined to carrying out the duties of a landlord under a lease. The Tribunal is enabled under subsection (1) to appoint a manager to carry out in relation to any premises to which Part II applies 'such functions in connection with management of the premises as the Tribunal thinks fit'.

47. The Tribunal considers that it is necessary and appropriate for the manager to require contributions from the lessees in relation to the major works in the terms of Option C. This enables the efficient and effective management of the property by enabling the manager to proceed swiftly with the requisite major works.

### **The Application to vary the management order under s.24(9) of the Landlord and Tenant Act 1987.**

48. The Applicant applies (inter alia) to extend the management order for an indefinite period, to include the basement lease to the Institute of Psychoanalysis in the property he is to manage, to include the power to demand monies in connection with major works from the basement lessee, and to amend the address of the manager.
49. The Tribunal have been provided with a letter from the Institute of Psychoanalysis dated 15<sup>th</sup> April 2015 indicating their agreement to the extension of the management order to their lease. In particular the Institute writes 'accordingly, IOPA supports any amendment to the Order that puts the Applicant in the landlord's shoes viz our rights and obligations under the Commercial Lease and we are comfortable with the relevant amendments to the Order proposed by Integrity on behalf of the Applicant'.
50. Mr Arwas did not object to the application.
51. Ms Demeshghi objected strongly to the application. She does not accept the jurisdiction of the Tribunal in making its original order and states in connection with the application to vary

' I ask the panel consider the order of 6<sup>th</sup> May 2014 and I object 'vary order' because Mr Young and his agent are not good and they are not honest (sic) at all, evidences can be provided'.

### **The decision of the Tribunal**

52. The Tribunal determines to extend the management order to 5<sup>th</sup> of May 2018 and to include the commercial premises leased by the Institute of Psychoanalysis within the manager's powers as set out in his amended management order. The Tribunal further determines to agree the additional and consequential amendments of the order as set out in the draft supplied.

### **The reasons for the Tribunal decision**

53. Extending the order until May 5<sup>th</sup> 2018 gives the manager sufficient time to complete the major works and put in place a proper and appropriate management plan in connection with the property. It will be appropriate at that stage for the Tribunal to reconsider its appointment taking into account the views of the long lessees and the freeholder.
54. In the light of the agreement of the Institute of Psychoanalysis and the lack of objections from Mr Arwas on behalf of the majority of the lessees the Tribunal considers it is appropriate to extend the scope of the order to the basement commercial premises as proposed by the manager.
55. Ms Demeshghi has failed to articulate any reasoned and evidenced objections to these courses of action and therefore the Tribunal rejects her objections.
56. The Tribunal attaches a copy of the amended order and management plan to this decision.

**Application under s.20C**

57. In the application form the Respondents applied for an order under section 20C of the 1985 Act. Taking into account the determinations above, the tribunal determines not to make such an order.

**Name:** Judge Carr

**Date:** 1<sup>st</sup> June 2015

## **Appendix of relevant legislation**

### **Landlord and Tenant Act 1985 (as amended)**

#### **Section 18**

- (1) In the following provisions of this Act "service charge" means an amount payable by a tenant of a dwelling as part of or in addition to the rent -
  - (a) which is payable, directly or indirectly, for services, repairs, maintenance, improvements or insurance or the landlord's costs of management, and
  - (b) the whole or part of which varies or may vary according to the relevant costs.
- (2) The relevant costs are the costs or estimated costs incurred or to be incurred by or on behalf of the landlord, or a superior landlord, in connection with the matters for which the service charge is payable.
- (3) For this purpose -
  - (a) "costs" includes overheads, and
  - (b) costs are relevant costs in relation to a service charge whether they are incurred, or to be incurred, in the period for which the service charge is payable or in an earlier or later period.

#### **Section 19**

- (1) Relevant costs shall be taken into account in determining the amount of a service charge payable for a period -
  - (a) only to the extent that they are reasonably incurred, and
  - (b) where they are incurred on the provisions of services or the carrying out of works, only if the services or works are of a reasonable standard;and the amount payable shall be limited accordingly.
- (2) Where a service charge is payable before the relevant costs are incurred, no greater amount than is reasonable is so payable, and after the relevant costs have been incurred any necessary adjustment shall be made by repayment, reduction or subsequent charges or otherwise.

#### **Section 27A**

- (1) An application may be made to the appropriate tribunal for a determination whether a service charge is payable and, if it is, as to -
  - (a) the person by whom it is payable,
  - (b) the person to whom it is payable,
  - (c) the amount which is payable,

- (d) the date at or by which it is payable, and
  - (e) the manner in which it is payable.
- (2) Subsection (1) applies whether or not any payment has been made.
- (3) An application may also be made to the appropriate tribunal for a determination whether, if costs were incurred for services, repairs, maintenance, improvements, insurance or management of any specified description, a service charge would be payable for the costs and, if it would, as to -
- (a) the person by whom it would be payable,
  - (b) the person to whom it would be payable,
  - (c) the amount which would be payable,
  - (d) the date at or by which it would be payable, and
  - (e) the manner in which it would be payable.
- (4) No application under subsection (1) or (3) may be made in respect of a matter which -
- (a) has been agreed or admitted by the tenant,
  - (b) has been, or is to be, referred to arbitration pursuant to a post-dispute arbitration agreement to which the tenant is a party,
  - (c) has been the subject of determination by a court, or
  - (d) has been the subject of determination by an arbitral tribunal pursuant to a post-dispute arbitration agreement.
- (5) But the tenant is not to be taken to have agreed or admitted any matter by reason only of having made any payment.

## **Section 20**

- (1) Where this section applies to any qualifying works or qualifying long term agreement, the relevant contributions of tenants are limited in accordance with subsection (6) or (7) (or both) unless the consultation requirements have been either—
- (a) complied with in relation to the works or agreement, or
  - (b) dispensed with in relation to the works or agreement by (or on appeal from) the appropriate tribunal .
- (2) In this section “relevant contribution”, in relation to a tenant and any works or agreement, is the amount which he may be required under the terms of his lease to contribute (by the payment of service charges) to relevant costs incurred on carrying out the works or under the agreement.
- (3) This section applies to qualifying works if relevant costs incurred on carrying out the works exceed an appropriate amount.
- (4) The Secretary of State may by regulations provide that this section applies to a qualifying long term agreement—

- (a) if relevant costs incurred under the agreement exceed an appropriate amount, or
  - (b) if relevant costs incurred under the agreement during a period prescribed by the regulations exceed an appropriate amount.
- (5) An appropriate amount is an amount set by regulations made by the Secretary of State; and the regulations may make provision for either or both of the following to be an appropriate amount—
- (a) an amount prescribed by, or determined in accordance with, the regulations, and
  - (b) an amount which results in the relevant contribution of any one or more tenants being an amount prescribed by, or determined in accordance with, the regulations.
- (6) Where an appropriate amount is set by virtue of paragraph (a) of subsection (5), the amount of the relevant costs incurred on carrying out the works or under the agreement which may be taken into account in determining the relevant contributions of tenants is limited to the appropriate amount.
- (7) Where an appropriate amount is set by virtue of paragraph (b) of that subsection, the amount of the relevant contribution of the tenant, or each of the tenants, whose relevant contribution would otherwise exceed the amount prescribed by, or determined in accordance with, the regulations is limited to the amount so prescribed or determined.]

### **Section 20B**

- (1) If any of the relevant costs taken into account in determining the amount of any service charge were incurred more than 18 months before a demand for payment of the service charge is served on the tenant, then (subject to subsection (2)), the tenant shall not be liable to pay so much of the service charge as reflects the costs so incurred.
- (2) Subsection (1) shall not apply if, within the period of 18 months beginning with the date when the relevant costs in question were incurred, the tenant was notified in writing that those costs had been incurred and that he would subsequently be required under the terms of his lease to contribute to them by the payment of a service charge.

### **Section 20C**

- (1) A tenant may make an application for an order that all or any of the costs incurred, or to be incurred, by the landlord in connection with proceedings before a court, residential property tribunal or the Upper Tribunal, or in connection with arbitration proceedings, are

not to be regarded as relevant costs to be taken into account in determining the amount of any service charge payable by the tenant or any other person or persons specified in the application.

- (2) The application shall be made—
  - (a) in the case of court proceedings, to the court before which the proceedings are taking place or, if the application is made after the proceedings are concluded, to a county court;
  - (aa) in the case of proceedings before a residential property tribunal, to that tribunal;
  - (b) in the case of proceedings before a residential property tribunal, to the tribunal before which the proceedings are taking place or, if the application is made after the proceedings are concluded, to any residential property tribunal;
  - (c) in the case of proceedings before the Upper Tribunal, to the tribunal;
  - (d) in the case of arbitration proceedings, to the arbitral tribunal or, if the application is made after the proceedings are concluded, to a county court.
- (3) The court or tribunal to which the application is made may make such order on the application as it considers just and equitable in the circumstances.

## **Commonhold and Leasehold Reform Act 2002**

### **Schedule 11, paragraph 1**

- (1) In this Part of this Schedule “administration charge” means an amount payable by a tenant of a dwelling as part of or in addition to the rent which is payable, directly or indirectly—
  - (a) for or in connection with the grant of approvals under his lease, or applications for such approvals,
  - (b) for or in connection with the provision of information or documents by or on behalf of the landlord or a person who is party to his lease otherwise than as landlord or tenant,
  - (c) in respect of a failure by the tenant to make a payment by the due date to the landlord or a person who is party to his lease otherwise than as landlord or tenant, or
  - (d) in connection with a breach (or alleged breach) of a covenant or condition in his lease.
- (2) But an amount payable by the tenant of a dwelling the rent of which is registered under Part 4 of the Rent Act 1977 (c. 42) is not an administration charge, unless the amount registered is entered as a variable amount in pursuance of section 71(4) of that Act.



- (3) In this Part of this Schedule “variable administration charge” means an administration charge payable by a tenant which is neither—
  - (a) specified in his lease, nor
  - (b) calculated in accordance with a formula specified in his lease.
- (4) An order amending sub-paragraph (1) may be made by the appropriate national authority.

**Schedule 11, paragraph 2**

A variable administration charge is payable only to the extent that the amount of the charge is reasonable.

**Schedule 11, paragraph 5**

- (1) An application may be made to the appropriate tribunal for a determination whether an administration charge is payable and, if it is, as to—
  - (a) the person by whom it is payable,
  - (b) the person to whom it is payable,
  - (c) the amount which is payable,
  - (d) the date at or by which it is payable, and
  - (e) the manner in which it is payable.
- (2) Sub-paragraph (1) applies whether or not any payment has been made.
- (3) The jurisdiction conferred on the appropriate tribunal in respect of any matter by virtue of sub-paragraph (1) is in addition to any jurisdiction of a court in respect of the matter.
- (4) No application under sub-paragraph (1) may be made in respect of a matter which—
  - (a) has been agreed or admitted by the tenant,
  - (b) has been, or is to be, referred to arbitration pursuant to a post-dispute arbitration agreement to which the tenant is a party,
  - (c) has been the subject of determination by a court, or
  - (d) has been the subject of determination by an arbitral tribunal pursuant to a post-dispute arbitration agreement.
- (5) But the tenant is not to be taken to have agreed or admitted any matter by reason only of having made any payment.
- (6) An agreement by the tenant of a dwelling (other than a post-dispute arbitration agreement) is void in so far as it purports to provide for a determination—
  - (a) in a particular manner, or

(b) on particular evidence,  
of any question which may be the subject matter of an application  
under sub-paragraph (1).

**IN THE  
PROPERTY CHAMBER  
LONDON RESIDENTIAL PROPERTY  
FIRST-TIER TRIBUNAL**

**LON/00BK/LAM/2013/0006**

**BEFORE  
JUDGE CARR  
MR T SENNETT  
MR A RING**

**BETWEEN:**

**Mr Matthew Young – Tribunal Appointed Manager  
Represented by Integrity Property Management Limited**

**Applicant**

**Ms S Demeshghi  
Mr S Koehne  
Mr E Huq  
Mr D Walker  
Mr E Arwas  
Mr J Erskine  
Mr R Bachour  
Ms S Benton**

**Mr and Mrs D Oliver  
Mr G Cavallini  
Messrs H and T Speechly  
Mr B Gregus  
Messrs S & J Patel  
Mr Q Parry  
Ms D Fierstone  
Lewis and Tucker**

**Respondents**

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**AMENDED MANAGEMENT ORDER**

*Determination dated 1<sup>st</sup> June 2015*

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**UPON** hearing Solicitor for the Applicant, the Landlord and the Lead Respondent

**IT IS ORDERED:**

1. Matthew Young, of Integrity Property Management Limited (“Integrity”), whose principal place of business is at Unit 18A, Orbital 25 Business Park, Dwight Road, Watford WD18 9DA (“the Manager”) is hereby appointed pursuant to s24 of the Landlord and Tenant Act 1987 (“the Act”) as the Manager (“the Manager”) (including such functions of Receiver as are specified herein) of the 16 residential flats (“the Flats”) owned by one or more Respondents (together, “the Leaseholders”)

under long leases (“the Leases”) , the Basement that is leased to The Institute of Psychoanalysis (“the Institute”) under a long lease (“the Commercial Lease”) and the common parts serving same at Welford House, 114 Shirland Road, London, W9 (“the Property”) that sit within the freehold of the Property, registered at HM Land Registry (Title No. NGL698214) in the name of the Landlord (“the Freehold Title”), until 5<sup>th</sup> May 2018 or until further order (“the Term”), subject to the liberty of any interested party to apply at any time to vary or discharge the Order.

2. For the duration of the Term, the Manager shall manage the Property pursuant to this Order and any further directions of the Tribunal, directly or indirectly by his managing agent, Integrity, including, performing:

(a) the Services (as set out in The Sixth Schedule of the Leases), substantially in the form attached hereto on **Schedule One**;

(b) the Landlord’s obligations and protecting the Landlord’s rights under the Commercial Lease, attached hereto on **Schedule Five**;

(c) the functions and services set forth in the Schedule of Functions and Services, substantially in the form attached hereto on **Schedule Two**; and

(d) execution of the Management Plan, substantially in the form attached hereto on **Schedule Three**.

in accordance with:

i. the terms of this Order, including *inter alia* the Schedule of Functions and Services and the Management Plan;

ii. any further directions and/or orders of the Tribunal; and

iii. the Service Charge Residential Management Code (“the Code”) or such other replacement code published by the Royal Institution of Chartered Surveyors (“RICS”).

3. Without prejudice to the generality of the foregoing and for the duration of the Term, the Tribunal hereby confers all necessary authority on the Manager, including, the power to:

(a) demand and collect (i) yearly ground rent (“the Rent”), (ii) service charges (“the Service Charges”), (iii) any and all addition sums properly demanded in connection with any scheme of work (“Contributions”), (iv) any and all payments on account into a fund pursuant to clause 5(3)(d) of the Leases (“the Fund”), (v) interest pursuant to the Leases, and (vi) any and all other monies payable under the Leases including any arrears;

(b) appoint solicitors, accountants, architects, surveyors, managing agents and other professionally qualified persons as he may reasonably require to assist him in the performance of his functions and pay the reasonable fees of those appointed;

(c) 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;

(d) in his own name or in the name of the Landlord to (i) bring, defend or continue any legal action or other legal proceedings in connection with the Leases, the Commercial Lease or the Property, including but not limited to proceedings against any Leaseholder in respect of arrears of Rent, Service Charges, Contributions or other monies due under the Leases, including any amounts outstanding to be paid into the Fund, and (ii) to enter into any settlement or agree any compromise on behalf of the Landlord in relation to any proceedings against the Landlord arising out of or occasioned by her obligations under the Leases;

(e) enter into any contract or arrangement and/or make any payment which is necessary, convenient or incidental to the performance of his functions;

(f) ensure client bank accounts are opened and operated in connection with his management of the Property to invest monies pursuant to his appointment in any manner specified in Parts 1 and 2 of the First Schedule of the Trustee

Investment Act 1961 and for those funds to be held pursuant to Section 42 of the Landlord and Tenant Act 1987. The Manager shall deal separately with and shall distinguish between (i) monies demanded and collected in connection with the Fund, and (ii) all other monies received pursuant to his appointment and shall ensure that Fund monies are held in a separate bank account or accounts opened for that purpose;

- (g) rank and claim in the bankruptcy, insolvency, sequestration or liquidation of any Leaseholder owing sums of money under his Lease;
- (h) effect insurance of the Property in his own name as defined in The First Schedule of the Lease and provide a copy of the cover note to the Landlord and the Leaseholders;
- (i) register this Order against the Freehold Title and recover all associated costs of such registration, including legal fees (if any) from the Service Charges.

4. The Manager shall:

- (a) act fairly and impartially in his dealings with the Landlord in her capacity as freeholder of the Property, leaseholder of flat B and joint-leaseholder of flat A at the Property;
- (b) exercise the reasonable skill, care and diligence to be expected of someone experienced in carrying out work of a similar scope and complexity to that required for the performance of his duties hereunder and shall indemnify the Landlord in respect of any loss occasioned by the negligent act or omission of himself, his servants or agents;
- (c) for the duration of the Term, ensure that he and/or Integrity has appropriate professional indemnity cover in the sum of at least £1,000,000 and upon the written request of any Leaseholder and/or the Landlord and/or the Tribunal, the Manager shall provide a copy of the cover note that is in place for the time being; and

(d) be entitled to remuneration (that, for the avoidance of doubt, shall be recoverable as part of the Service Charges) in accordance with the Schedule of Functions and Services attached.

5. The Landlord and the Leaseholders and any agents or servants thereof shall:

(a) 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 such duties and powers;

6. The Landlord shall (i) permit the Manager and assist him as he reasonably requires to serve upon any Leaseholders any and all Notices under section 146 of the Law of Property Act 1925, and (ii) with immediate effect, be deemed to have assigned to the Manager any and all rights and liabilities of the Landlord arising under any contracts of insurance and/or any contract for the provision of services to the Property shall from the date hereof become rights and liabilities of the Manager, and in a timely fashion, being no longer than 14 days of this Order:

(a) write to all her servants and agents, including, her managing agents, Lewis & Tucker (“L&T”), enclosing a copy of this Order;

(b) deliver to the Manager the items set out on **Schedule Four**, including, all such books, papers memoranda, records, computer records, minutes, correspondence, facsimile correspondence and other documents (together “the Working File”) as are necessary to the management of the Property as are within her custody, power or control, together with any Working File in the custody, power or control of any third parties, including, L&T, from whom she shall take all reasonable steps to procure prompt delivery;

(c) procure L&T to give full details to the Manager of all sums of money being held in the Service Charges account and the Fund in relation to the Property, including, without limitation, copies of any relevant bank statements (together, “the Accounts File”) and shall forthwith pay such sums to such account as directed by the Manager. If the Landlord and/or L&T shall

thereafter receive such sums under the lease of any leaseholder he shall forthwith pay such sums to the Manager; and

(d) provide a copy of this Order to DJ Coyle & Co Limited ("Coyle") and, with regards to the private contract entered into between the Landlord and Coyle for works to the exterior of the Property ("the JCT Contract"), tell Mr Coyle that the Manager is taking legal advice as to the effect of this Order on the JCT Contract.

7. The use of the word "Landlord and / or the Respondents" in this Order is intended to include any successors in title to the Landlord and / or the Respondents. 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.
8. The fee of £6.00 ("the Registration Fee") referenced in clause 3(15) of the Leases is hereby amended to £25, payable to the Manager on the same terms as provided for in that clause 3(15).

Dated 1<sup>st</sup> June 2015



## SCHEDULE ONE

### THE SIXTH SCHEDULE

#### The Services

1. As and when necessary and appropriate to maintain repair cleanse repaint redecorate resurface and renew:-

(a) the roofs the gutters pipes conduits and all other the drains and other devices for conveying rainwater from the Property

(b) the main structure of the Property including in particular (but not by way of limitation) the foundations roofs and exterior walls and interior load bearing walls thereof

(c) the passages staircases landing entrance and all other parts of the Property enjoyed or used in common with the other lessees and occupiers of the Property

(d) the lighting for the said passages staircases landing entrance and other parts of the property used in common as described in (c) above

(e) the entryphone system

(f) any fire alarm and ancillary apparatus fire prevention and fire fighting apparatus security alarm and security apparatus

(g) the gas and water pipes conduits ducts sewers drains and electric wires and cables (including television and radio wiring and aerials (if any) and all other the gas water sewage drainage electric heating and ventilation installations in under or upon the Property and enjoyed or used by the Lessee in common with the other lessees or occupiers of the Property but excluding such installations and services as are incorporated in and exclusively serve the Premises

(h) the driveway accessways paths and forecourts of the Property (excluding the boundary walls and fences of or appertaining thereto) PROVIDED THAT the Lessor

shall not be responsible (except at the cost of the Lessee) for carrying out any repairs or redecorations which are rendered necessary by reason of any act neglect or default of the Lessee or the Lessee's family servants invitees or licensees to pay and discharge all rates taxes duties assessments and outgoings whatsoever whether Parliamentary Parochial or of any other description (if any) which now are or during the said term shall be assessed charged or imposed on or payable in respect of any part or parts of the Property enjoyed or used by the Lessee in common with the other lessees or occupiers of the Property and to pay all water rates assessed upon or payable in respect of any part of the Property if the same shall not be assessed upon the individual flats therein

2. Unless such insurance shall be vitiated by any act or default of the Lessee to insure and keep insured the Property (including the Premises) and the Landlord's fixtures fittings furnishings apparatus and chattels in and about the Property in the full replacement value thereof (as from time to time determined by the Lessor's surveyors) in such insurance office of repute as he may select against loss or damage by fire and such other risks as are normally covered by a policy of comprehensive insurance including architects' and surveyors' fees in connection with any reinstatement and against loss of three years' ground rent and against damage occasioned by the bursting or overflowing of water tanks apparatus or pipes (other than damage occasioned whilst the Premises or any flat in the Property is left unoccupied or untenanted) and also against third party liability and against such other risks as the Lessor may from time to time in his absolute discretion consider it desirable to insure in such sums as shall be considered by his surveyor to be appropriate and to pay all premiums necessary for the aforesaid purposes within fifteen days after the same shall become due and whenever reasonably required so to do to produce to the Lessee the policy or policies of such insurance and the receipt for the last

premium for the same AND FURTHER that in case of destruction of or damage to the Property (including the Premises) or any part or parts thereof as soon as reasonably practicable to expend and lay out all monies received in respect of such insurance in or towards the repair rebuilding or reinstatement of the Premises or other the part or parts of the Property so destroyed or damaged

3. To discharge the costs of and incidental to compliance by the Lessor with every notice regulation or order of any competent local or other authority in respect of the Property or any part or parts thereof

4. To discharge all fees charges expenses and commissions (but not including fees charges expenses or commissions on or in connection with the lettings or sales of any of the flats or other premises comprised in the Property or the collection of ground rents payable by any lessee thereof) payable to any agent or agents whom the Lessor may from time to time employ for managing and maintaining the Property

5. To discharge all fees charges and expenses and any Value Added Tax thereon payable to any solicitor accountant surveyor valuer or architect or other professional or competent adviser whom the Lessor may from time to time reasonably employ in connection with the management and/or maintenance of the Property and in or in connection with enforcing the performance and observance and compliance by the Lessee and all other lessees of flats in the Property of their obligations and liabilities under this Clause including the collection of expenditure

## SCHEDULE TWO

### Schedule of Functions and Services

#### Financial Management

1. Prepare an annual Service Charges budget, administer the Service Charges and prepare and distribute appropriate Service Charges accounts to the Leaseholders as per the percentage share under the terms of the Leases, to include providing all paperwork to an accountant, to enable the preparation of year-end Service Charges accounts in accordance with best practice and any guidance provided by the Institute of Chartered Accountants in England and Wales.
2. Demand and collect Rents, Service Charges, Contributions, any payments on account to be held in the Fund, insurance premiums and any other payments due from the Leaseholders under the terms of the Leases. Instruct solicitors to recover any unpaid Rents and Service Charges and any other monies due to or from the Landlord.
- 2A The Manager shall be entitled to adjust the percentages typically applied under the terms of the Leases when demanding service charges from each Leaseholder, calculated based on the rateable value of the flats, to enable the Manager to demand as service charges for Flat B any amounts that the Leaseholders of Flats C-P (inclusive) pay on account for any scheme of work at the Property that ought to have been paid by the Leaseholder of Flat B in respect of her pro rata liability for that scheme of work, howsoever determined and any interest that accrues on those service charges only at the rate of 10% per annum will be paid to the Leaseholders of Flats C-P pro rata.
3. Produce for inspection, within a reasonable time following a written demand by the Landlord or the Leaseholders, relevant receipts or other evidence of expenditure, and provide VAT invoices (if any) in an agreed form.
4. Manage all outgoings from the Service Charges account in respect of day-to-day maintenance and pay bills using funds from the Service Charges account.

5. Deal with all enquiries, reports, complaints and other correspondence with Leaseholders, solicitors, accountants and other professional persons in connection with matters arising from the day to day financial management of the Property.

#### Insurance

6. To comply with the Landlord's obligations in respect of insurance under the terms of Leases and to obtain details of the insurance cover put in place by the Landlord (if any) and in the absence of same to insure the Property and provide such details to the Leaseholders and to ensure that the insurance cover is sufficient for the Property.
7. To collect contributions to the insurance premium from the residential Leaseholders and from the leaseholder of the Basement. With regards to the leaseholder for the time being of the Basement, the Manager's fee to that leaseholder will be £180.

#### Repairs and Maintenance

8. Deal with all reasonable enquiries raised by Leaseholders in relation to repair and maintenance work, and instruct contractors to attend and rectify problems as necessary and provided for under the terms of the Leases so as to ensure that issues of repair and maintenance are dealt with in a thorough and efficient manner.
9. Administer contracts entered into on behalf of the Landlord and Leaseholders in respect of the Property and check demands for payment for goods, services, plant and equipment supplied in relation to such contracts.
10. Discharge payments in respect of contracts entered into on behalf of the Landlord and Leaseholders in respect of the Property.
11. Manage the common parts of the Property.
12. Carry out regular inspections (at the Manager's discretion but not less than once per year) without use of equipment, to such of the common parts of the Property 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 such day-to-day maintenance and repairs as are required under the Leases, to arrange and supervise such major works as may be required to be carried out to the Property under the terms of the Leases.
14. To collect Contributions from the Landlord, the Leaseholders and the Institute, as applicable.

#### Administration and Communication

15. Deal promptly with all reasonable enquiries raised by Leaseholders, including routine management enquiries from the Leaseholders or their solicitors.
16. Provide both the Leaseholders and Respondent with telephone, post and e-mail contact details.
17. Keep records regarding details of Leaseholders, agreements entered into by the Manager in relation to the Property and any change of ownership of the Leases.
18. Attend meetings when reasonably with the Leaseholders or generally in the course of management of the Property.

#### Fees and Expenses

19. Fees for the above mentioned management services (with the exception of supervision of major works) would be a fee of £300 plus VAT per annum for each flat for the period of the Order.

20. Additional Fees for the provision of services at the Property that fall outside the scope of day-to-day management will be charged on a time-spent basis at an hourly rate of £175 plus VAT.
21. Additional fees for the arrangement and supervision of any scheme of work at the Property that is arranged by the Manager and/or Integrity and supervised by a chartered surveyor (“the Arrangement Fees”) will be charged in a sum equal to 5% of the aggregate contract value of that scheme of work, plus VAT.
22. Room hire at the Manager’s offices can be provided at cost.
23. There is a £10.00 handling charge for processing any payments by cheque.
24. There is a charge for handling any payment by credit card, equivalent to 3% of the transaction value.
25. Payments by debit card are processed free-of-charge.
26. An additional charge for dealing with solicitors’ enquiries on transfer will be made in a sum not exceeding £150 plus VAT payable by the outgoing lessee.
27. The undertaking of further tasks which fall outside the duties referred to above are to be charged separately at an hourly rate of £125 plus VAT for a qualified member of staff but, if the matter requires the Manager’s personal attention, he may charge an hourly rate of £175 plus VAT.

## SCHEDULE THREE

### Management Plan

IN THE  
PROPERTY CHAMBER  
LONDON RESIDENTIAL PROPERTY  
FIRST-TIER TRIBUNAL

LON/00BK/LAM/2013/0006

BEFORE  
JUDGE CARR  
MR T SENNETT  
MR A RING

#### BETWEEN:

Mr Matthew Young – Tribunal Appointed Manager  
Represented by Integrity Property Management Limited

Applicant

Ms S Demeshghi  
Mr S Koehne  
Mr E Huq  
Mr D Walker  
Mr E Arwas  
Mr J Erskine  
Mr R Bachour  
Ms S Benton

Mr and Mrs D Oliver  
Mr G Cavallini  
Messrs H and T Speechly  
Mr B Gregus  
Messrs S & J Patel  
Mr Q Parry  
Ms D Fierstone  
Lewis and Tucker

Respondents

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### AMENDED MANAGEMENT PLAN

*Determination dated 1<sup>st</sup> June 2015*

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**Property: Welford House, 114 Shirland Road, London W9 2BT**

No.	Description	Part <sup>1</sup>	Clause <sup>2</sup>
1.	The Manager will enter into a management agreement with Integrity to act as the Manager's managing agents.	2.1	Para 4, 6 <sup>th</sup> Sch
2.	Instruct Integrity to open two client accounts with its preferred bank,	4	5(3)(c)

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<sup>1</sup> 'Part' means a Part of the Code

<sup>2</sup> 'Clause' means a clause or paragraph of a Schedule to the Leases



No.	Description	Part <sup>1</sup>	Clause <sup>2</sup>
	Lloyds TSB Bank plc (“Lloyds”), including: (a) a general client account for day-to-day use; and (b) a client account for holding reserve funds.		
3.	Instruct Integrity to write letters regarding these client accounts to Lloyds	4.6 16	
4.	Instruct Integrity to write to the Landlord, with a copy to L&T, with details of where to deliver any documents and/or property in her possession that relate to the management of the Property.	4.23	
5.	Instruct Integrity to write to L&T, with a copy to the Landlord, enclosing a copy of the Management Order, with details of where to deliver any documents and/or property in its possession that relate to the management of the Property and also requesting the transfer of all monies held by L&T in connection with the Property, together with all bank statements, ledgers, accounts and other financial information.	4.23	
6.	Instruct Integrity to upload information about the Property and its Leaseholders into Integrity’s bespoke property management software, in order that Integrity can manage the Property in the most cost-effective and efficient way. At least once a month, Integrity reconciles each bank account with the information held on its system.	4.10 4.14	5(3)(b)
7.	Instruct Integrity to write to all of the Leaseholders of all of the Flats enclosing: (a) a copy of the Management Order; (b) a copy of contract between the Manager and Integrity; (c) a letter of introduction from Integrity, including <i>inter alia</i> details of the lead contact, Integrity’s contact details and information about Integrity’s out-of-hours, emergency telephone service and details about the Lloyds client accounts; and (d) an information sheet about the Manager and the role of the Manager, in particular, the difference between a Tribunal-appointed manager	16.5 16.10 4.7	Para 4, 6 <sup>th</sup> Sch

No.	Description	Part <sup>1</sup>	Clause <sup>2</sup>
	and a managing agent.		
8.	First inspection of the common parts at the Property by the Manager, to identify any issues that require urgent attention.	2.4 k)	6 <sup>th</sup> Sch
9.	Instruct Integrity to manage any work urgently required to resolve or triage any critical problems.	12 13	5(3)(c)
10.	If from the papers delivered up by the Landlord and/or L&T, the Manager can identify any contractors working at the Property, instruct Integrity to advise them that the Property is under new management and ask them to send any unpaid invoices to Integrity.	12	
11.	In the event that there is no obvious basic maintenance regime, including cleaning of the internal common parts and window-cleaning, instruct Integrity to get quotes for a reasonable level of basic maintenance, taking into account the age of the building, the size of the common parts and the state of the common parts that might need a major overhaul in the medium to long-term.	7 12 13	5(3)(c) 6 <sup>th</sup> Sch
12.	Instruct Integrity to obtain legal advice regarding the currently-suspended JCT Contract.	12 18	Para 5, 6 <sup>th</sup> Sch
13.	Instruct Integrity to write to Coyle in line with the advice it obtains in relation to the JCT Contract.	12	Para 4, 6 <sup>th</sup> Sch
14.	If the advice obtained is not to continue with the external works, instruct Integrity to write to Coyle in this vein and to request the scaffolding be taken down, if it is still up at that time.	12	
15.	In relation to the treatment of client money by L&T, particularly in relation to the use of monies paid on account of service charge and/or 'Major Work Contributions' to finance the JCT Contract, if appropriate, the Manager will advise the Leaseholders to seek independent legal advice.	3.4	
16.	Instruct Integrity to write to the Leaseholders enclosing a final demand in respect of any unpaid service charges, advising Leaseholders that if	21	5(5)

No.	Description	Part <sup>1</sup>	Clause <sup>2</sup>
	payment in full is not made within 7 days, debt recovery action will commence without further notice for the principal sum plus interest pursuant to the Lease(s), at the rate of 10% per annum and costs.	3.26 a)	
17.	If any letters before action are sent to Leaseholders in respect of unpaid service charges, instruct Integrity to commence proceedings against any Leaseholders whose accounts remain in arrears at the end of the seven-day period.	21 3.26 a)	5(5)
18.	Instruct Integrity to engage a chartered surveyor to determine the extent of the work done by Coyle, what remains to be done under the terms of the JCT Contract and what additional work should be done to external of the Property, taking into account the original tender by Coyle. This is outside the scope of day-to-day management.	12	
19.	Instruct Integrity to write to each Leaseholder requesting access to his/her Flat to view the state of repair and condition thereof and to establish whether or not there has been any breach of the Leaseholders' covenants and/or the Regulations.	3.15	3 Para (c), 4 <sup>th</sup> Sch 5 <sup>th</sup> Sch
20.	Instruct Integrity to write to the Institute requesting access to the Basement to view the state of repair and condition thereof and to establish whether or not there has been any breach of the Commercial Lease	3.15	3 Para (c), 4 <sup>th</sup> Sch 5 <sup>th</sup> Sch
21.	At the same time, in the absence of evidence of any recent reports in the papers that are provided by L&T, instruct Integrity to commission:  (a) a Health and Safety assessment;  (b) a Fire Risk assessment;  (c) an Asbestos survey; and  (d) an Electrical Engineer's report.	7	6 <sup>th</sup> Sch
22.	Subject to the outcome of the commissioned reports (if any are required), instruct Integrity to procure a plan from the chartered surveyor	12	6 <sup>th</sup> Sch

No.	Description	Part <sup>1</sup>	Clause <sup>2</sup>
	to resolve any urgent and/or medium to long-term issues.		
23.	The Manager will inspect the Flats and the Basement with the chartered surveyor. On this occasion, the chartered surveyor will be asked to identify what if anything needs to be done to repair the internal common parts.	3.15 3.19	3 5 <sup>th</sup> Sch
24.	Instruct Integrity to write to any Leaseholders who are in breach of one or more covenants or Regulations, giving them two (2) months' notice to remedy and, at the same time, giving notice of the Manager's intention to inspect the relevant Flats at the end of the remedial period.	3	3 5 <sup>th</sup> Sch
25.	Instruct Integrity to write to the Institute if it is found to be in breach of the Commercial Lease, giving the Institute two (2) months' notice to remedy and, at the same time, giving notice of the Managers intention to inspect the Basement at the end of the remedial period.	3	3 5 <sup>th</sup> Sch
26.	In the event that the Manager's second inspection of any Flat reveals that one or more Leaseholders has failed to remedy any breach of one or more covenants or Regulations, instruct Integrity to give due notice to the defaulting Leaseholder(s) that Integrity requires access on a specific date for its contractor(s) to remedy the relevant breach(es), in respect of which the relevant Leaseholder(s) is liable for all related costs pursuant to the terms of the lease.	3.15 3.16	3.10
27.	In the event that the Manager's second inspection of the Basement reveals that the Institute has failed to remedy any breach of the Commercial Lease, instruct Integrity to give due notice to the Institute that Integrity requires access on a specific date for its contractor(s) to remedy the relevant breach(es), in respect of which the Institute is liable for all related costs pursuant to the terms of the Commercial Lease	3.15 3.16	3.10
28.	In the absence of any evidence that Rent for the period beginning 25.12.2013 has been properly demanded, instruct Integrity to demand Rent for this financial year in the prescribed form from the Leaseholders and / or the Institute.	6 16.11	1(b) 3(1) 5(5)

No.	Description	Part <sup>1</sup>	Clause <sup>2</sup>
29.	In the absence of any evidence that Service Charges have been paid on account for the current financial year, pursuant to the terms of the Leases, instruct Integrity to demand an 'on account' payment and a once-a-year contribution to the Fund in anticipation of future schemes of work.	6 8 9	3(2) 5
30.	In the absence of Service Charges accounts for the year end 24.12.2013 being produced by L&T, instruct Integrity to produce Service Charges accounts in the correct form for the financial year ending 24.12.2013, pursuant to the Leases and a Service Charges budget for the financial year ending 24.12.2014, taking into account the advice obtained in relation to the external works that were started by Coyle and the advice of the chartered surveyor in relation to any further schemes of work to the external and/or internal common parts at the Property, that is likely to include refurbishment of the internal common parts, including new carpets, fresh paintwork and potential improvements to the lighting.	8 10	5
31.	In relation to any proposed schemes of work, the Manager will instruct Integrity to initiate a formal consultation in compliance with statute and any case law prevailing for the time being.	12 18	6 <sup>th</sup> Sch
32.	In relation to any proposed scheme of work, the Manager will instruct Integrity to establish the pro rata liability of the Institute (if any) for which it might be necessary to instruct a surveyor and to demand any such sums from the Institute at the same time as the balance is demanded pro rata from the Leaseholders.	21 3.26 a)	5(5)
33.	Within twelve months, instruct Integrity to sign one or more contracts for work at the Property because Integrity is in cleared funds and any requisite consultation process has been properly conducted.	12 18	5(3)(d) 6 <sup>th</sup> Sch
34.	Continuous ongoing management of the Property for the duration of the Term		

**SCHEDULE FOUR**  
**Information to be provided by Landlord**

**1. THE PROPERTY**

- 1.1. Copy of the Land Certificate.
- 1.2. Plans and drawings if any of the site and buildings.
- 1.3. Details of utilities and location of main stop-cocks etc.
- 1.4. Details of any major works and long term agreements ongoing and copies of S.20 notices and responses given.
- 1.5. Details of any major works and long term agreements planned and copies of any related S.20 notices and responses given.
- 1.6. Details of plant, machinery and relevant documentation.
- 1.7. Copies of statutory inspection reports.
- 1.8. Arrangements for out-of-hours emergencies

**2. INSURANCE**

- 2.1. Contact details of current broker/insurers.
- 2.2. Original of schedule and policy for the Property.
- 2.3. Details of most recent valuation of the Property.
- 2.4. Summary of claims history over past three years.
- 2.5. Files on open insurance claims and agreement on who will handle such.
- 2.6. Details of third party and employer's liability insurance.
- 2.7. Originals of mechanical engineering insurance and the last three years' inspection reports.

**3. CONTRACTS AND CONTRACTORS**

- 3.1. Details of all current contracts.
- 3.2. Details of regular contractors used and the scope of their duties and payment terms.
- 3.3. Details of any current warranties.

**4. THE LESSEES**

- 4.1. Originals or copies of all Leases and deeds of variation and other licences etc.
- 4.2. Copy of any current house rules.
- 4.3. Details of any ongoing assignments.
- 4.4. Names and contact details of all Leaseholders, including those who are not resident.
- 4.5. Details of any sub-let Flats and their occupants.
- 4.6. Schedule of Rent payable.
- 4.7. Schedule of Service Charges apportionments per unit.

**5. LEGAL**

- 5.1. Details of any current disputes whether involving Leaseholders, contractors or other parties.
- 5.2. Details of any current or impending litigation whether for or against the Respondent.
- 5.3. Details of solicitors instructed.

**6. ACCOUNTING INFORMATION**

- 6.1. Certified Service Charges accounts for at least the last three years but preferably six years or longer.
- 6.2. Copy of the current Service Charges budget.
- 6.3. Bank statements relating to Leaseholders' and the Respondent's monies for the Property.
- 6.4. A reconciled copy of the cash book.

- 6.5. Service Charges balances and statements.
- 6.6. Paid contractors and suppliers invoices for the current period and previous years.
- 6.7. Outstanding contractors and suppliers invoices.
- 6.8. Reconciled trial balance and supporting schedules made up to the date of the handover.
- 6.9. A direct credit for the balance of funds in hand.
- 6.10. Details of the method of payment used by each Leaseholder.
- 6.11. Agreed payment plans for arrears if any.
- 6.12. Copy correspondence about any outstanding arrears.

## **7. HEALTH AND SAFETY**

- 7.1. Copy of any risk assessments carried out.
- 7.2. Copy of any accident records.
- 7.3. Copy of any asbestos register.
- 7.4. CDM file if appropriate.

## **8. MISCELLANEOUS**

- 8.1. Details of any guarantees.
- 8.2. A full set of labelled keys, any spares and access codes and programming procedures.
- 8.3. Copies of unanswered correspondence and other relevant enquiries.