



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

Case Reference : **MAN/00CG/LAM/2017/0003**

Property : **The Metis Apartments
Scotland Street
Sheffield
South Yorkshire
S3 7AT**

Applicants : **Peter Stanley Clifton & Others**

Representative : **Hewitts Advisory Services**

Respondent : **Metis Management (Sheffield) Ltd**

Representative : **N/A**

Type of Application : **Landlord and Tenant Act 1987 – s24
Landlord and Tenant Act 1985 – s20C**

Tribunal Member : **Judge J Holbrook**

Date : **6 December 2017**

CONSENT ORDER

ORDER

BY CONSENT, it is hereby ordered that:

1. In accordance with section 24(1) Landlord and Tenant Act 1987 John Stephen McDonald of Fairways Property Management, 356 Meadowhead Sheffield S8 7UJ ("the Manager") is appointed as manager of the property at The Metis Apartments Scotland Street Sheffield S3 7AT ("the Property").
2. The order shall continue for a period of three years from 6 December 2017. If the parties wish to apply for any extension of the order, they are encouraged to do so at least three months before the order expires.
3. The Manager shall manage the Property in accordance with:-
 - a. The directions and schedule of functions and services attached to this order;
 - b. The respective obligations of the landlord and the leases by which the flats and premises at the Property are demised by the Respondent and in particular with regard to repair, decoration, provision of services and insurance of the Property; and
 - c. The duties of a manager set out in the Service Charge Residential Management Code ("the Code") or such other replacement code published by the Royal Institute of Chartered Surveyors and approved by the Secretary of State pursuant to section 87 Leasehold Reform Housing and Urban Development Act 1993.
4. The Manager shall register the order against the landlord's registered title SYK549842 as a restriction under the Land Registration Act 2002 or any subsequent Act.
5. An order shall be made under section 20C Landlord and Tenant Act 1985 that the Respondent's costs before the Tribunal shall not be added to the service charges.

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(RESIDENTIAL PROPERTY)**

Case Reference: MAN/ooCG/LAM/2017/0003

Between:

PETER STANLEY CLIFTON and OTHERS

APPLICANT

AND

METIS MANAGEMENT (SHEFFIELD) LTD

RESPONDENT

Re: Application Landlord and Tenant Act 1987 – S24
The Metis Apartments
Scotland Street
Sheffield
S3 7AT

DIRECTIONS

1. From the date of the appointment and throughout the appointment the Manager shall ensure that he has appropriate professional indemnity cover in the sum of at least £1,000,000 and shall provide copies of the current cover note upon a request made by any lessee of the Property, the Respondent or the Tribunal.
2. That no later than four weeks after the date of this order the parties to this application shall provide all necessary information to and arrange with the Manager an orderly transfer of responsibilities. No later than this date, the Applicants and the Respondent shall transfer to the manager all accounts, books, records and funds including, without limitation:-

THE PROPERTY

- *Plans and drawings if any of the site and buildings.*
- *Details of utilities*

- *Details of any major works and long term agreements ongoing and copies of S.20 notices and responses given.*
- *Details of any major works and long term agreements planned and copies of any related S.20 notices and responses given.*
- *Details of plant, machinery and relevant documentation.*
- *Copies of statutory inspection reports.*
- *Arrangement for out of hours emergencies.*

INSURANCE

- *Contact details of current broker/insurers.*
- *Original of schedule and policy for the property.*
- *Details of most recent valuation of the property.*
- *Summary of claims history over past three years.*
- *Files on open insurance claims and agreement on who will handle such.*
- *Details of third party and employers liability (including current and all previous certificates for employers liability where employer is not changing).*
- *Originals of mechanical engineering insurance and the last three years' inspection reports.*

CONTRACTS AND CONTRACTORS

- *Details of all current contracts.*
- *Details of regular contractors used and the scope of their duties and payment terms.*

Details of any current warranties.

THE LEASEHOLDERS

- *Originals or copies of all leases and deeds of variation and other licences etc. if available.*
- *Copy of any current house rules.*
- *Details of any ongoing assignments.*
- *Names and contact details of all lessees, including those who are not resident.*
- *Details of any sub-let flats and their occupants. (where available).*
- *Schedule of ground rents payable.*
- *Schedule of service charge apportionments per unit.*

LEGAL

- *Details of any current disputes whether involving lessees, contractors or other parties.*
- *Details of any current or impending litigation whether for or against the client.*
- *Details of solicitors employed.*

ACCOUNTING INFORMATION

- *Certified service charge accounts for at least the last three years and preferably six years or longer.*
- *Copy of the current service charge budget.*
- *Bank statements relating to lessee and client monies for the property.*
- *A reconciled copy of the cash book.*
- *Service charge balances and statements.*
- *Paid contractors and suppliers invoices for the current period and previous years.*
- *Outstanding contractors and suppliers invoices.*
- *Reconciled trial balance and supporting schedules made up to the date of the handover.*

- *A cheque for the balance of funds in hand.*
- *Agreed payment plans for arrears if any.*
- *Copy correspondence about any outstanding arrears.*

STAFF

- *Copies of any contracts of employment along with job descriptions.*
- *Details of any disciplinary action taken or other special circumstances.*
- *PAYE records for the current period and the previous years if appropriate.*

MISCELLANEOUS

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

HEALTH AND SAFETY

- *Copy of any risk assessments carried out.*
- *Copy of any accident records.*
- *Copy of any asbestos register.*
- *CDM file if appropriate.*

COMPANY INFORMATION

- *Copy of Memorandum & Articles of Association.*
- *The Books including minutes, stock transfer forms, Certificate of Incorporation, seal etc.*
- *Copies of previous annual returns.*
- *The last six years' accounts.*
- *All financial records and supporting documentation for the last six years.*
- *Details of accountants/auditors used.*
- *Details any Directors and Officers Liability Insurance*

3. The rights and liabilities of the Respondent arising under any contracts of insurance, and/or any contract for the provision of any services to the Property shall, upon the transfer date for the purposes of paragraph 2 above, become rights and liabilities of the Manager.
4. The Manager shall account forthwith to the Respondent for the payment of ground rent received by him and shall apply the remaining amounts received by him (other than those representing his fees) in the performance of the Respondent's covenants contained in the said leases.
5. The Manager shall be entitled to remuneration (which for the avoidance of doubt shall be recoverable as part of the service charges of the leases of the Property) in accordance with the Schedule of Functions and Services attached.
6. By no later than one year, the Manager shall prepare and submit a brief written report for the Tribunal on the progress of the management of the Property up to that date.

7. Within 28 days of the conclusion of the management order, the Manager shall prepare and submit a brief written report for the Tribunal, on the outcome of the management of the Property up to that date, to include final closing accounts. The Manager shall also serve copies of the report and accounts on the lessor and lessees, who may raise queries on them within 14 days. The Manager shall answer such queries within 14 days. Thereafter the Manager shall reimburse any unexpended monies to the paying parties or, if it be the case to any new tribunal-appointed manager, or, in the case of dispute, as decided by the Tribunal upon application by any interested party.
8. The Manager shall be entitled to apply to the Tribunal for further directions.

Between:

PETER STANLEY CLIFTON and OTHERS

APPLICANT

AND

METIS MANAGEMENT (SHEFFIELD) LTD

RESPONDENT

Re: Application Landlord and Tenant Act 1987 – S24
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SCHEDULE OF FUNCTIONS AND SERVICES

1. GENERAL CONDUCT:

- a. The Manager will comply with the terms of the leases of the Property.
- b. The Manager will comply with the requirements of ARMA (Association of Residential Managing Agents) and the Service Charge Residential Management Code of the RICS as appropriate.
- c. The Manager will comply with relevant landlord and tenant legislation relating to the management of the Property.
- d. The Manager will comply with health and safety, fire safety, employment and all other relevant laws and regulations relating to the management of the Property.

- e. The Manager will hold professional indemnity insurance including fidelity cover and maintain it during the Term. On request, the Manager must give the Tribunal a copy of the certificate of insurance.
- f. The Manager will comply with the rules of the Financial Conduct Authority when carrying out any regulated insurance activities.
- g. The Manager will at all reasonable times allow the Respondent, the lessees and the Tribunal access to all records and accounts appertaining to the management of the Property.
- h. The Manager shall operate a complaints procedure in accordance with or substantially similar to the requirements of the Royal Institute of Chartered Surveyors.

2. INSURANCE:

- a. Maintain appropriate insurance for the Property.
- b. Ensure that the Manager's interest is noted on the insurance policy.

3. SERVICES TO BE PROVIDED BY THE MANAGER

- a. The Manager will perform with reasonable care, skill and diligence the Services set out with the frequency as agreed and specified in Appendix II for the Management Fee as set out in Appendix I.
- b. The Manager will provide additional services for the Client for Additional Charges as set out in Appendix III.

4. FEES AND CHARGES

- a. The fees and charges payable to the Manager are as set out in Appendices I and III
- b. the Manager is authorised to deduct the Management Fee and Additional Charges from the designated bank account on the dates set out in the Fee Agreement.

5. ACCOUNTS

- a. Prepare and submit to the Respondent and lessees an annual statement of account detailing all monies received and expended. The accounts to be certified by an external auditor if required by the Manager.
- b. The Manager will comply with statutory and ARMA's rules for banking and holding any funds of the Client in a clearly designated bank account(s). Any such funds must be held in trust.

- c. The Manager will open and maintain such designated bank account(s) in to which ground rent, service charge contributions and all other monies arising under the leases shall be paid and from which the payment of expenses relating to the Property shall be made.
- d. the Manager is authorised to deduct any outstanding Management Fee and Additional Charges from the designated account after this management agency agreement terminates.
- e. It is hereby agreed that any interest earned on the designated account(s) shall be a credit to that account(s).
- f. All monies collected will be accounted for in accordance with the accounts regulations as issued by the Royal Institute for Chartered Surveyors

APPENDIX I FEE AGREEMENT

1. The Management Fee is payable for the services in Appendix II and is £26,500 (Twenty Six Thousand, Five Hundred Pounds)
2. The Management Fee is to be paid in accordance with the lease payment dates - monthly in arrears.
3. The Management Fee and any Additional Charges must be paid to the Manager in accordance with clauses 8 and 9 of the agreement.
4. The Review Date for the Management Fee and Additional Charges is each anniversary of the date of this order. On the Review Date the amounts payable hereunder may be varied as follows:
 - By agreement between Manager and the lessees; or
 - If no agreement is reached, then the amount by which the Retail Price Index has changed for the 12 month period ending on the date that is 3 months before the Review Date.Any Fees or Additional Charges may be subject to specific alteration where legislative obligations or changes of the services required add to the existing workload.
5. The Ground Rent Collection Fee is 10% of the Ground Rent collected plus VAT at the standard rate.
6. VAT to be payable on all fees quoted, where appropriate at the rate prevailing on the date of invoicing.

**APPENDIX II
THE SERVICES**

DESCRIPTION	FREQUENCY
• Opening and handling bank accounts.	Daily
• Preparing and sending out service charge estimates.	Annually
• Collecting service charges and reserve fund contributions including sending demands and associated summaries and any required statements.	Quarterly
• Processing payments relating to the Property within expenditure limits and funds available or as reasonable expediency shall dictate.	Weekly
• Accounting for services charges.	Annually
• Providing information to accountants prior to the preparation of annual service charge accounts.	Annually
• Using best endeavours to collect current and on-going routine service charge arrears but not action requiring legal work or tribunals.	Monthly
• Providing reasonable management information to the leaseholders.	Quarterly or on Request
• Liaising with the Client.	Upon request & regular meetings
• Liaising with any recognised resident(s) association(s).	Upon request & regular meetings
• Entering into and managing maintenance contracts on behalf of the Client.	When required
• Viewing, without the use of inspection equipment, the common parts of the Property to check condition and deal with any necessary repairs other than major repairs.	Monthly
• Preparing specifications and contracts for minor works and services such as cleaning, gardening, window cleaning and overseeing such works	Annually or as and when requested
• Organising periodic health and safety checks (but not specialist checks and tests) and ensuring appropriate risk assessments are in place.	Annually or according to statute
• Consultation with the client on management matters (and qualifying works).	When required

<ul style="list-style-type: none"> • Consultation with the client on long-term agreements except for consultation on the appointment of a managing agent. 	When required
<ul style="list-style-type: none"> • Engaging and supervising on behalf of the Client site staff for the Property and dealing with all matters relating to their employment other than pension and Employment Tribunal matters. 	Monthly
<ul style="list-style-type: none"> • Visiting the Property. 	Weekly
<ul style="list-style-type: none"> • Dealing with day-to-day lessee issues and reporting to and taking instruction from the Client on lessees' dissatisfaction. 	Daily
<ul style="list-style-type: none"> • Advising the Client on all relevant legislative and regulatory issues and general interpretation of leases. 	As and when required
<ul style="list-style-type: none"> • Keeping records of residents and tenancy details where provided. 	Daily
<ul style="list-style-type: none"> • Advising and liaising with the Client on management policy. 	Annually

**APPENDIX III
ADDITIONAL CHARGES**

ADDITIONAL SERVICES	FREQUENCY	CHARGING BASIS where not included in the Services.
• Any additional work entailed, where the information as listed in Appendix 4 is not forthcoming on the Takeover list.	Monthly	Time Expended
• Arranging buildings and other insurance and dealing with claims.	Annually	Included in Fee (If required)
• Providing copy documents including insurance policies, copies of invoices and receipts, for which there may be a charge.	As required	Print costs only
• Arranging fire risk assessments by competent persons.	Annually	Inclusive
• The collection of arrears existing at the time of takeover.	Monthly	Charge to debtor
• The provision of leaseholder welcome packs or handbooks.	As required	Inclusive
• Fees for specialist advice on assessment of major repairs and decoration or other issues.	As required	Agreed with client or insurers
• Negotiating with local and statutory authorities regarding operation or amendment or improvements to communal services as necessary.	As required	Inclusive
• Drawing up and reviewing risk assessment plans. Advising on health and safety matters and other legislative requirements.	As required	Inclusive
• Preparing specifications, obtaining tenders and supervising major works.	As required	Agreement with client

• Holding annual meetings with residents if required.	Annually	Inclusive except minute takers cost
• Offering any vacant property for let	N/A	N/A
• Advising and providing information on the transfer of leases.	As required	£200 + VAT
• Responding to pre-contract sales enquiries.	As required	£200 + VAT
• Advertising and recruiting site staff on behalf of the Client.	As required	Inclusive
• Dealing with any pension issues relating to site staff	As required	Inclusive
• Subletting, changes of use and handling requests for any necessary approvals, lease extensions and variations.	As required	Inclusive
• Preparing replacement cost assessment for insurance valuation purposes on buildings and landlord contents.	N/A	N/A
• Preparing schedules of dilapidation or condition in respect of individual dwellings.	N/A	N/A
• Supplying additional copies of the accounts and other documents.	As required	Inclusive
• Dealing with requests for improvements or alterations by leaseholders and related party wall matters	As required	Inclusive
• Legal recovery of unpaid service charges or ground rents or action for non-compliance with leases including instructing solicitors and preparing for and attending Court/Tribunal.	As required	In accordance with Lease
• Carrying out appraisals of reserve funds including surveys of Property and reporting to Client.	As required	Inclusive
• Preparing and monitoring major building works	As required	By Agreement with Client

not covered by annual contracts, dealing with S20 consultations, including serving the required notices, instructing and liaising with specialist consultants, inspecting work in progress, and handling retentions.		
• Preparing statutory accounts for submission to Companies House excluding audit if required.	Annually	Inclusive
• Company Secretarial Services: • Acting as Company Secretary to the Client • Issuing membership or share certificates • Calling annual general or extraordinary meetings: prepare notices, attend and take minutes.	As required	Inclusive or charge to shareholder
• Providing any form of service to the client over and above the management agency agreement in relation to out of office hours working or any emergency requirements and/or attendance.	As required	£100 per hour
• Arranging venues for AGM's and EGM's.	As required	Inclusive
• Attending meetings of directors.	As required	Inclusive
• Attending meetings outside of specified hours.	As required	Time expended
• Filing statutory company returns.	Annually	Inclusive
• Fees of specialist advisers.	As required	At Cost
• Providing any form of services to the Client over and above this Management Agency agreement in relation to the exercise by the lessees of Enfranchisement, the Right to Manage or as the result of the Appointment of a Manager by a Tribunal.	As required	By agreement with the client

• Dealing with taxation issues relating to trust fund interest.	N/A	N/A
• Any matters relating to rent reviews.	N/A	N/A
• Answering leaseholders queries additional to those to be reasonably expected and where excess work arises due to this.	As required	Inclusive
• Providing detailed legal advice on any of the above.	As required	N/A – At cost
• Providing accommodation for meetings and inspection of documents and the facility to make photocopies.	As required	Inclusive