FIRST-TIER TRIBUNAL
PROPERTY CHAMBER
(RESIDENTIAL PROPERTY)

Case reference	**:**	**LON/00AW/LAM/2020/00001**
HMCTS code (paper, video, audio)	**:**	**V: CVPREMOTE (Video Hearing)**
Property	**:**	**98 Highlever Road, London, W10 6PN**
Applicant	**:**	**Ms Jenny Harborne**
Representative	**:**	**Ms Sonia Rai (of Counsel)**
Respondent	**:**	**Sunsteep Residential Limited**
Representative	**:**	**Ms Katie Turner (Flat 2) Ms Seija Tikkis (Flat 3) Mrs Helen Tikkis (Flat 3) Ms Mary O'Shea (Flat 4)**
Type of application	**:**	**Appointment of Manager, section 24(1) Landlord and Tenant Act 1987**
Tribunal members	**:**	**JUDGE SHAW** **Mr P Roberts DipArch RIBA**
Date and venue of determination	**:**	**Remote Hearing on 25th January 2021**
Date of decision	**:**	**4th March 2021**

DECISION

Covid-19 pandemic: description of hearing

This has been a remote (video) hearing which has been consented to by the parties. The form of remote hearing was V: CVPREMOTE. A face-to-face hearing was not held because it was not practicable and all issues could be determined in a remote hearing, by video. The documents to which the Tribunal was referred were in various bundles, prepared by the parties the contents of which have been noted, and some of which were referred to at the hearing. The order made is described at the end of these reasons.

Decision and Order of the Tribunal

In accordance with section 24(1) Landlord and Tenant Act 1987 **Ms ANNA SANHEDRIN WIECZKOWSKI of BRACKENBURY PROPERTY MANAGEMENT LIMITED** ('the Manager') is appointed as manager of the property at **98 Highlever Road, London, W10 6PN**("the Property').

1. The order shall continue for a period of **3 (THREE)** years from **18th March 2021.** Any application for an extension must be made prior to the expiry of that period. If such an application is made in time, then the appointment will continue until that application has been finally determined.

2. 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 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 Institution of Chartered Surveyors and approved by the Secretary of State pursuant to section 87 Leasehold Reform Housing and Urban Development Act 1993.

3. The Manager shall register the order against the landlord's registered title as a restriction under the Land Registration Act 2002, or any subsequent Act.

4. An order shall be made under section 20C Landlord and Tenant Act 1985 that the Applicant's costs before the Tribunal shall not be added to the service charges

Tribunal's Reasons for Decision

1. This case involves an application to the Tribunal for the appointment of a Manager of the Property, pursuant to section 24 of the Landlord and Tenant Act 1987. Directions were given in the matter by the Tribunal on 25th February 2020, and Further Directions were given on 29th April 2020. The parties were required, in the usual way to serve Statements of Case. Both Parties supplied full and helpful Statements of Case, supplemented by subsequent supplied documentation.

2. A hearing of the matter took place on 25th January 2021 by video link. The Applicant appeared in person, and represented by her counsel Ms Sonia Rai, who also produced a helpful Skeleton Argument. The Respondent company appeared through its other owners and shareholders apart from the Applicant, and its spokesperson at the hearing was, in the main, Ms Seija Tikkis, who co-owns and occupies Flat 3 with her mother, Mrs Helen Tikkis. The other leaseholders and Interested Parties, Ms Turner and Ms O'Shea also attended and contributed to the evidence. Both parties had prepared full Statements of case and accompanying documents, and the Applicant had submitted a detailed Reply to the Respondent's Statement of Case.

3. The Property comprises a house which has been converted into 5 flats. The Applicant owns and has combined 2 flats and designated them Flat 1 and Flat A. She occupies the conjoined flat. The other 3 flats are owned and occupied by the parties as set out in the heading of this Decision. The freehold of the Property is owned by the Respondent which is owned by all the leaseholders, and of which they are mostly all directors – although the Applicant contends that Ms Tikkis' appointment was not in accordance with the Articles of Association.

4. For some years, management of the Property was dealt with by the Applicant. However, the relationship between the Applicant and the other leaseholders has broken down, amid multiple disputes; indeed, there is even a dispute as to when the relationship broke down. The matter came before the Tribunal in 2019, but the dispute was

compromised in August 2019, without the Tribunal making an order. It was agreed that Ms Tikkis would thereafter deal with management. The Applicant says that Ms Tikkis broke the settlement agreement. Ms Tikkis denies this, and contends that the Applicant has been unable to give up control of the Property and has thrown every possible obstacle in her way. The Applicant denies this.

5. It is in these unhappy circumstances that this application is brought before the Tribunal, for the Tribunal to appoint a Manager. The application is opposed, for reasons which will be referred to below. It is proposed to consider the legal grounds upon which such an appointment may take place, and then summarise, albeit briefly, the rival contentions and cases of the parties. The Tribunal will then give its Decision together with reasons.

The Law

6. It is open to the Tribunal to make an appointment on one or more of the grounds set out at section 24(2) of the Act – which provides:

"The appropriate tribunal may only make an order under this section in the following circumstances, namely—

(a) where the tribunal is satisfied—
(i) that any relevant person either is in breach of any obligation owed by him to the tenant under his tenancy and relating to the management of the premises in question or any part of them or (in the case of an obligation dependent on notice) would be in breach of any such obligation but for the fact that it has not been reasonably practicable for the tenant to give him the appropriate notice, and
(ii). . . .
(iii) that it is just and convenient to make the order in all the circumstances of the case;
(ab) where the tribunal is satisfied—
(i) that unreasonable service charges have been made, or are proposed or likely to be made, and
(ii) that it is just and convenient to make the order in all the circumstances of the case;
(aba) where the tribunal is satisfied—
(i) that unreasonable variable administration charges have been made, or are proposed or likely to be made, and

(ii) that it is just and convenient to make the order in all the circumstances of the case;

(ac) where the tribunal is satisfied—

(i) that any relevant person has failed to comply with any relevant provision of a code of practice approved by the Secretary of State under section 87 of the Leasehold Reform, Housing and Urban Development Act 1993 (codes of management practice), and

(ii) 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

Ms Rai on behalf of the Applicant, founded her application, as understood by the Tribunal, on grounds (a) (breach of obligation) (ac) (breach of code of practice) and (b) (other circumstances) – all of which grounds also require the Tribunal to be satisfied that it is just and convenient for the order to be made.

The Applicant's Case

7. The Applicant's case is very fully set out in her Witness Statement and Statement of Case dated 22nd October 2020, her Second Witness Statement and Response to Response dated 2nd December 2020, the 300 pages of exhibit documents she has supplied, and her counsel's Skeleton Argument. She also submitted various other documents, the day after the hearing had been completed, but these have not been considered, as to have done so would have required submissions in response from the Respondent, and the hearing had terminated. In addition, she gave oral evidence at the Hearing. No disrespect is intended to the Applicant if the whole of that material is not referred to explicitly in this Decision. With the exception of the material submitted after the hearing had ended, all of this material has been carefully considered by the Tribunal. It paints an unhappy scenario in which, as perceived by the Applicant, the other leaseholders, and in particular Ms Tikkis, have colluded against her, and the proper management of the Property has been neglected.

8. In so far as the application is based upon alleged breaches of obligation, and *"other circumstances"* making it *"just and convenient"* for the Tribunal to make an order, they will be dealt with below in the context of the Tribunal's analysis and reasons for the Decision. The specific alleged breaches have been summarised in her second witness statement at section 3 and are further commented upon in the Skelton Argument. She argues that she personally handled the management of the property for about 15 years from 1998, during which matters ran smoothly. From approximately 2014 however, she contends that her position as manager was increasingly undermined, and she was not receiving support from the other leaseholders as manager. Relationships had broken down and she was obliged to propose the appointment of an external manager. As mentioned, there was eventually a compromise agreement reached by the parties, but the Applicant contends that this too was broken by the Respondent in various ways, and that Ms Tikkis, the new agreed manager, failed to arrange for the Applicant's reinstatement as a director of the Respondent in a timely fashion, and breached the agreement in other respects in addition. She makes this Application specifically for the reasons given in her documentation, but generally on the basis that the leaseholders' relationship has broken down, and the Property requires independent management. She is unable to agree with the appointment of a Manager proposed by the Respondent, saying that the candidate suggested practises in a different part of London, and is more expensive than her proposed Manager. The currently proposed Manager for the Applicant was not her initial choice, but has been substituted following the withdrawal of the original proposed person.

The Respondent's Case

9. As mentioned, the Respondent's case, and that of the Interested parties (being the leaseholders other than the Applicant) was presented by Ms Tikkis. Ms Tikkis had also prepared a very full Statement of Case

running to 15 pages. She told the Tribunal, under cross-examination, that she also had 3 years of contentious e-mails with the Applicant.

10. The Respondent's case can be fairly simply summarised. First, the Respondent entirely accepts that the working relationship between the Applicant and the other leaseholders has completely broken down, and that for the Property to be properly managed, an independent (or "external") manager is required. However, the Respondent does not agree to the appointment of the manager proposed by the Applicant, for reasons unrelated to the competency or personal suitability of that manager. That appointment is opposed because it has been proposed by the Applicant. As such, the Respondent believes that such a manager would be biased in favour of the Applicant. Moreover, the Respondent contends that a Tribunal appointed Manager would involve a loss of control of their property by the leaseholders, and that they *"do not need the Tribunal to tell them what to do."* Ms Tikkis frankly acknowledged that the management is more than she could now cope with (mainly because of what she saw as a total lack of co-operation by the Applicant) but felt strongly that she and the other leaseholders should not be dictated to by a Tribunal appointed manager, but that management should be carried out by a manager answerable to them as leaseholders of the property.

11. As for the allegations of breach of obligation, they were all generally denied, and it was moreover denied that it would be just and convenient for a manager to be appointed, for the reasons outlined above. Ms Tikkis also prepared full written evidence and once again, no disrespect is intended to her or the other leaseholders if it is not repeated in this Decision. It is dated 10th November 2020, and is a very clear exposition of her perception of what has led to the breakdown in management. It has been carefully considered by the Tribunal, together with her oral evidence and that of the other leaseholders at the Hearing. The Statement deals with each and every one of the alleged breaches,

and in the main rejects them, or urges that if they have occurred, they have been brought about by the conduct of the Applicant, and accordingly the *"just and convenient"* requirement is not satisfied.

Analysis and Reasons for Decision of the Tribunal

12. Dealing first with the Applicant's arguments under sections 24(2)(a)(i) and (ac)(i) (breaches of obligation and code of practice), the Tribunal finds two of these alleged breaches made out.

13. The Respondent did not have, but nonetheless commissioned, in November 2019, a Fire Risk Assessment Report. In this respect, said Ms Tikkis, there was an improvement in the situation from when the management was under the stewardship of the Applicant, because in 20 years there had never been such a report. (The Applicant countered this by saying she was not putting herself forward as a Manager). That report, as understood by the Tribunal was precipitated by a gas leak at the property, and the suppliers (Cadent), in the context of their repairs, required to see such an assessment.

14. The Assessment contained a large number of works required at the premises to make them fire-safe. Ms Tikkis freely accepted that those works had not been carried out, but that she had been saddled with years of mismanagement by the Applicant, and was "*working through*" the backlog of work required. Moreover, she said that the estimate of cost for these works with which she had been supplied was £25,000 (which seems high to the Tribunal, since the work relates mainly to a small area of common parts). She said that the Applicant had repeatedly failed to pay her share of service charges, and that she was not confident that the other leaseholders could shoulder such a cost. However, the Tribunal was not shown a copy of such an estimate (or competitive alternative estimates) and the fact is that failure to do *"all such works necessary for the proper maintenance safety and administration"* of the property is a breach of clause 4 of the specimen

lease shown to the Tribunal. Such a breach could be a risk to the health and safety of the occupants, and prejudice the insurance cover for the property. The Tribunal finds this breach made out.

15. Secondly, Ms Tikkis again freely and candidly accepted that she had not set up a designated account for the collection of service charges. She had paid them directly into her own private account, as she said, the Applicant had always done when she managed. There was not the slightest suggestion of any wrongful dealing by Ms Tikkis with these funds in her account, nor would the Tribunal have expected this, as she impressed the Tribunal as an honest witness doing her very best in difficult circumstances. However, the payment of service charge funds into a private account in this way is not only inappropriate and undesirable, but, more importantly, constitutes a breach of section 42 of the Landlord and Tenant Act 1967 and of Part 6 of the RICS Code of Practice. The Tribunal finds this breach made out.

16. The evidence in respect of the other allegations of breach was more nuanced. There was a contention that the Applicant's application for a lease extension had been obstructed by the Respondent (or Ms Tikkis). This allegation was denied by Ms Tikkis who said that she would have no reason to wish to frustrate this, and as far as she was concerned the matter was proceeding through the parties' respective solicitors. There was a further allegation that a gas leakage had been mismanaged or neglected by Ms Tikkis. Her response was that the Applicant had told her not to be alarmed by the smell of gas, because it had occurred before and was not urgent. There were allegations that Ms Tikkis had failed to monitor the insurance cover for the property, with the result that it was necessary hurriedly to renew, before the market had been tested for a more competitive quote. Ms Tikkis responded that she in turn had been handicapped by the Applicant refusing to part with information or documentation she needed in order to deal with insurance. Yet further there were allegations that the compromise agreement had not been complied with, and in particular that the

Applicant had not been re-instated as a Director. Ms Tikkis contended that the Applicant had been re-instated, albeit not immediately, by reason of incorrect legal advice she had received. There were other allegations in addition, but in short, the evidence amounted to allegation and counter-allegation between the Applicant and Ms Tikkis and the other leaseholders, and the Tribunal having listened to all parties, was not satisfied that the evidence was sufficiently compelling on either side for it to find on the balance of probabilities that these further allegations were made out.

17. As for the 2 breaches that the Tribunal has found established, the Tribunal would not have found that these alone would have rendered it "*just and convenient"* to appoint a Manager. They are both capable of being dealt with by putting the appropriate new arrangements in place. However, the statute adds the words *"in all the circumstances of the case"*. There are indeed circumstances in this case, which, in the view of the Tribunal, make it imperative that a Tribunal Manager is appointed, in part under this head, but far more importantly under section 24(2)(b) of the Act.

18. Under section 24(2)(b) of the Act, it is provided that an order may be made:
"*where the tribunal is satisfied that other circumstances exist which make it just and convenient for the order to be made."*

From the outset of the evidence in this case, virtually the single issue upon with the Applicant and the Respondent were agreed, was that it was impossible for them to work together. There had been several attempts to do so, no doubt genuinely motivated on both sides, but the personalities concerned had made it impossible to do so. The Respondent argued that it had been an over-controlling attitude on the part of the Applicant which had frustrated these efforts, and that she had been, and remained, incapable of *"letting go"* of her management

of the Property. Both Ms Turner and Ms O'Shea supported Ms Tikkis in this regard. Ms Turner in particular, told the Tribunal that Ms Tikkis is *"a lovely woman"* and that she had "*a good feeling*" with her from the outset. She added that "*Jenny* [the Applicant] *never gave her a chance*" that her *"heart went out to her"* and that what she had had to contend with was "*not fair."* Ms O'Shea also told the Tribunal that she had felt "*harassed"* by the Applicant on the issue of the boundary fence, about which the Applicant was very concerned to obtain support from her fellow leaseholders, but about which they were indifferent.

19. The Applicant for her part argued that it was Ms Tikkis who had been both arrogant and incompetent in her management of the property, and that her (the Applicant's) position had been undermined by the other leaseholders.

20. Faced with this level of dissension amongst the leaseholders, the Tribunal is overwhelmingly satisfied that the necessary circumstances exist for it to be *"just and convenient"* for a manager to be appointed. The Tribunal is not satisfied that the parties are capable of agreeing on their own independently appointed manager – indeed they have demonstrated that they are unable to do so. The mere fact that one side or the other has made the proposal is sufficient to taint that individual in the eyes of the other. The Tribunal considers that Ms Tikkis' concerns that they will be dictated to by a Tribunal appointed manager, are misplaced. Such an appointed manager will endeavour to work with, not against, the leaseholders (who should try to give the manager their full support) and if insoluble problems occur (which should not be the case) the parties may return to the Tribunal for direction.

21. For the above reasons, the Tribunal is satisfied that this is an appropriate case for the appointment of a Manager under the Act.

The Proposed Manager

22. The Manager proposed by the Applicants was Ms Anna Sanhedrin Wieczkowski, a Director of Brackenbury Property Management Limited. The Tribunal interviewed the proposed manager carefully. Although Brackenbury has been trading for only 6 years, she has long experience in the construction industry. The company is IRPM registered, and she has a particular expertise, as a member of the Institute of Occupational Safety and Health. The company has proper Indemnity Insurance (£1,000,000) and maintains separate bank accounts for each property it manages. The company has many different properties with which she is involved in West London, some of them very large. Her offices are local (10-15 minutes from the Property) and she has a tried and tested list of local contractors whose work she trusts. Ms Wieczkowski has one other Tribunal appointed management position, which although relatively recent, has been unproblematic. Ms Tikkis herself told the Tribunal, having heard Ms Wieczkowski, that she was not questioning her personal or professional competence – merely that her appointment was unnecessary for the reasons listed above.

23. The Tribunal is satisfied that Ms Wieczkowski should be appointed and makes the appointment. There was some discussion about whether the appointment should be for 3 years or less. The Tribunal considers that the manager should have a proper opportunity to put her management plan into action and that 3 years is the proper period for appointment.

Applicant's Applications for Costs

24. The Tribunal has power in an appropriate case to make an order for re-imbursement of the hearing and application fees paid by the Applicant. The management order applied for has been made, and these fees (£200 and £100 respectively) should be paid by the Respondent to the Applicant. In addition, the Applicant applies for, and the Tribunal grants, an order under section 20C of the Landlord and Tenant Act 1985, to the effect that no part of the costs incurred by the landlord (the Respondent) in connection with these proceedings should be charged

back to the tenant (the Applicant) in the context of the service charges claimed from her. Once again, the order sought has been made, and the Tribunal considers it reasonable to give, and does give, such direction under section 20C.

25. Beyond this, the Applicant, through Ms Rai, also invites the Tribunal to make an order for recovery of her costs (which she quantifies in a schedule she has prepared, as being in the order of £25,000) under the provisions of the Tribunal Rules 2013, Rule 13(1)(b). Such an order is appropriate where there has been "unreasonable conduct" on the part of the party concerned, and involves a 3 part test as set out in the Upper Tribunal decision in *Willow Court Management v Alexander 92016) UKUT 0290 (LC).*

26. The test involves considering whether the party has acted unreasonably. If, and only, if that hurdle is cleared, the Tribunal should consider whether an order should be made, and, if so, how much.

27. Ms Rai contended that there had been unreasonable behaviour by the Respondent because there had been breaches of the Compromise Agreement by the Respondent (particularly by not timeously re-instating the Applicant as a director) by necessitating this application and not understanding the true role played by a Tribunal appointed manager, by not implementing the Fire Risk Assessment recommendations – and other matters related to the preparation for the hearing and generally. She argued that there had been vitriol, harassment and vexatiousness by or on behalf of the Respondent.

28. The Upper Tribunal in the case mentioned gave guidance in how to consider such cases, and in particular, where parties were appearing in person, which it is instructive to set out:

"26. We also consider that tribunals ought not to be over-zealous in detecting unreasonable conduct after the event and should not lose

sight of their own powers and responsibilities in the preparatory stages of proceedings. As the three appeals illustrate, these cases are often fraught and emotional; typically those who find themselves before the FTT are inexperienced in formal dispute resolution; professional assistance is often available only at disproportionate expense…..

The element of discretion in rule 13(1)(b)
27. When considering the rule 13(1)(b) power attention should first focus on the permissive and conditional language in which it is framed: "the Tribunal may make an order in respect of costs only … if a person has acted unreasonably…." We make two obvious points: first, that unreasonable conduct is an essential pre-condition of the power to order costs under the rule; secondly, once the existence of the power has been established its exercise is a matter for the discretion of the tribunal. With these points in mind we suggest that a systematic or sequential approach to applications made under the rule should be adopted.
The position of unrepresented parties
31. One circumstance which may often be relevant is whether the party whose conduct is criticised has had access to legal advice……
32. In the context of rule 13(1)(b) we consider that the fact that a party acts without legal advice is relevant at the first stage of the inquiry. When considering objectively whether a party has acted reasonably or not, the question is whether a reasonable person in the circumstances in which the party in question found themselves would have acted in the way in which that party acted. In making that assessment it would be wrong, we consider, to assume a greater degree of legal knowledge or familiarity with the procedures of the tribunal and the conduct of proceedings before it, than is in fact possessed by the party whose conduct is under consideration. The behaviour of an unrepresented party with no legal knowledge should be judged by the standards of a reasonable person who does not have legal advice. The crucial question is always whether, in all the circumstances of the case, the party has acted unreasonably in the conduct of the proceedings."

29. Applying these principles, and applying its discretion in respect of costs, the Tribunal does not consider this a case in which an order under Rue 13)1(b) is appropriate. We bear in mind that the Tribunal should not be *"over-zealous in detecting unreasonable conduct"*. The Tribunal does not consider that the first hurdle is cleared in this case. We judge the Respondent " *in accordance with the standards of a*

reasonable person who does not have legal advice." Applying our discretion we take the view that the level of mistrust and animosity which has built up over the years between these parties is an explanation as to why this application was opposed by an unrepresented party, and that the unreasonableness test in this case is not satisfied. In the circumstances, it is not necessary to move to the second and third tests. No order is made under Rule 13(1)(b).

Conclusion

30. A Management Order is made in the terms set out as above and in the Directions below. The Respondent is ordered to pay the Applicant's hearing and application fees. An order is made under section 20C of the 1985 Act, and no order is made pursuant to the Tribunal Rules 2013 Rule 13(1)(b).

Name:	**JUDGE SHAW**	**Date: 4th March 2021**

Rights of appeal

By rule 36(2) of the Tribunal Procedure (First-tier Tribunal) (Property Chamber) Rules 2013, the tribunal is required to notify the parties about any right of appeal they may have.

If a party wishes to appeal this decision to the Upper Tribunal (Lands Chamber), then a written application for permission must be made to the First-tier Tribunal at the regional office which has been dealing with the case.

The application for permission to appeal must arrive at the regional office within 28 days after the tribunal sends written reasons for the decision to the person making the application.

If the application is not made within the 28-day time limit, such application must include a request for an extension of time and the reason for not complying with the 28-day time limit; the tribunal will then look at such reason(s) and decide whether to allow the application for permission to appeal to proceed, despite not being within the time limit.

The application for permission to appeal must identify the decision of the tribunal to which it relates (i.e. give the date, the property and the case number), state the grounds of appeal and state the result the party making the application is seeking.

If the tribunal refuses to grant permission to appeal, a further application for permission may be made to the Upper Tribunal (Lands Chamber).

DIRECTIONS

1. From the date of the appointment and throughout the appointment the Manager shall ensure that she 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 being made by any lessee of the Property, the Respondent or the Tribunal.

2. No later than 14 days 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 Applicant and the Respondent shall transfer to the Manager all the accounts, books, records and funds (including, without limitation, any service charge reserve fund).

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 **18th March 2020** become rights and liabilities of the Manager.

4. The Manager shall account forthwith to the Respondent for the payment of ground rent received by her and shall apply the remaining amounts received by her (other than those representing her 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 leases of the Property) in accordance with the Schedule of Functions and Services attached.

6. By no later than one year from the date of this order, 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, providing a copy to the lessees of the Property and the Respondent at the same time.

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 progress and 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 of the date of the report. The Manager shall answer such queries within a further 14 days of the date of request. 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.

SCHEDULE OF FUNCTIONS AND SERVICES

Insurance

(i) Maintain appropriate building insurance for the Property.

(ii) Ensure that the Manager's interest is noted on the insurance policy.

Service charge

(i) Prepare an annual service charge budget, administer the service charge and prepare and distribute appropriate service charge accounts to the lessees.

(ii) Demand and collect ground rents, service charges (including contributions to a sinking fund), insurance premiums and any other payment, falling due after the date of commencement of this order, due from the lessees.

(iii) Demand and collect her own service charge payable by the Respondents (as if they were a lessee), in respect of any un-leased premises in the Property which are retained by the Respondents.

(iv) Instruct solicitors to recover unpaid rents and service charges and any other monies, falling due after the date of commencement of this order, to the Respondents.

(v) Place, supervise and administer contracts and check demands for payment of goods, services and equipment supplied for the benefit of the Property with the service charge budget.

Accounts

(i) 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.

(ii) Maintain efficient records and books of account which are open for inspection by the lessor and lessees. Upon request, produce for inspection, receipts or other evidence of expenditure.

(iii) Maintain on trust an interest-bearing account/s at such bank or building society as the Manager shall from time to time decide, into

which ground rent, service charge contributions and all other monies arising under the leases shall be paid.

(iv) All monies collected will be accounted for in accordance with the accounts regulations as issued by the Royal Institution for Chartered Surveyors.

Maintenance

(i) Deal with routine repair and maintenance issues and instruct contractors to attend and rectify problems. Deal with all building maintenance relating to the services and structure of the Property.

(ii) Consider works to be carried out to the Property in the interest of good estate management and make the appropriate recommendations to the Respondent and the lessees.

(iii) Set up a planned maintenance programme to allow for the periodic re-decoration and repair of the exterior and interior common parts of the Property.

Fees

These will be in accordance the RICS management contract template, referred to in the letter of Brackenbury Management's of 28th March 2020, as supplemented by the following provisions:

(i) Fees for the above mentioned management services will be a basic fee of £300 per annum per flat (plus VAT). Those services to include the services set out in the Service Charge Residential Management Code published by the RICS.

(ii) Major works carried out to the Property (where it is necessary to prepare a specification of works, obtain competitive tenders, serve relevant notices on lessees and supervising the works) will be subject to an administration charge of 2% of the cost of the works (excluding VAT) (subject to a maximum fee of £600 unless otherwise agreed by the parties or directed by the Tribunal). In respect of the engagement of an architect, surveyor, or other appropriate person in the administration of a contract, including preparation of a specification of works, obtaining competitive tenders, and supervision of such works additional professional fees will be payable. Where the manager undertakes project management services/contract administration directly a fee of 10% of the cost of the works (excluding VAT) will be payable.

(iii) An additional charge, (subject to a maximum of £250) for dealing with solicitors' enquiries on transfer will be made on a time related basis payable by the outgoing lessee.

(iv) VAT is to be payable on all the fees quoted above, where appropriate, at the rate prevailing on the date of invoicing.

(v) The preparation of insurance valuations and the undertaking of other tasks which fall outside those duties described above are to be charged

for at the Manager's usual hourly rate, and on a time spent basis or at appropriate rates payable to separately appointed external professional consultants.

Complaints procedure

The Manager shall operate a complaints procedure in accordance with, or substantially similar to, the requirements of the Royal Institution of Chartered Surveyors.