



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

**Case Reference** : CHI/21UF/LAM/2018/0001

**Property** : Longridge Court, Longridge Avenue,  
Saltdean, Brighton, East Sussex BN2  
8LY

**Applicants** : Ian Blake (Flat 1)  
Ian Crawford (Flat 3)  
Keith Pantridge (Flat 7)  
Laura Wells (Flat 10)  
Philip Stevens (Flat 12)

**Represented by:** : Quality Solicitors Howlett Clarke

**Respondent** : Panayiotis Theodssiou (Freeholder)

**Type of Application** : Appointment of Manager

**Tribunal Members** : Mr. R. A. Wilkey FRICS  
(Surveyor/Chairman)  
  
Mr. T. W. Sennett MA MCIEH  
(Professional Member)

**Date of Consideration** : Thursday 3<sup>RD</sup> May 2018

**Date of Decision** : Thursday 3<sup>RD</sup> May 2018

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**DECISION**

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## **Summary of Tribunal's Decision**

1. Gary Pickard is appointed as Manager of Longridge Court for a period of five years from the date of this decision in accordance with the Management Order attached.
2. There is no order for costs at this stage.

## **Introduction**

3. This is an application made by the Applicants under section 24(1) of the Landlord and Tenant Act 1987 (as amended) ("the Act") for the appointment of a manager in relation to Longridge Court, Longridge Avenue, Saltdean, Brighton, East Sussex BN2 8LY ("the property"). The appropriate section 22 preliminary notice was served on the Respondent on 15 August 2017. We have also been asked to give a preliminary indication as to whether the Applicants may be entitled to recover the costs incurred in bringing this application on the grounds of the Respondent's unreasonable conduct under Rule 13(1)(b) of the Tribunal Procedure (First-tier Tribunal) (Property Chamber) Rules. In addition, the Applicants seek an order for reimbursement from the Respondent of the application and hearing fee pursuant to Rule 13(2)
4. The Applicants are the long leaseholders of five flats in the property. The Respondent is the freeholder.
5. The property is a purpose built block of 12 flats built in the 1960's. Six of the flats have been sold on long lease and Flat 5 is retained on a long lease by the freeholder. The remaining flats (2,4,6,9 and 11) are attached to the freehold and not subject to long leases. There are four shops on the ground floor of the building under separate title.
6. The leaseholders have not been able to reach agreement for several years regarding the overall management of the property. Further details are provided later under "Background and History".

7. Consequently, the Applicants applied to the Tribunal for the appointment of a manager on 12 September 2017. The matters relied on by the Applicants are found at pages 18-21 of the hearing bundle. Further explanation is given elsewhere in the papers.
8. On 19 January 2018, the Tribunal issued substantive Directions as to the filing and serving of evidence by the parties. The Applicants provided a comprehensive bundle of documents in accordance with these Directions but the Respondent has not engaged in these proceedings and there has been no communication from him regarding the Application.

### **The Relevant Law**

9. Section 24 of the Landlord and Tenant Act 1987 provides:

*"(1) A leasehold valuation tribunal may, on an application for an order under this section, by order appoint a manager to carry out, in relation to any premises to which this Part applies-*

- (a) such functions in connection with the management of the premises, or*
- (b) such functions of a receiver, or both, as the Tribunal thinks fit.*

*(2) A leasehold valuation 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...*
- (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)...*

*(abb)...*

- (ac) where the tribunal is satisfied-
- (i) where 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;
- (b) where the tribunal is satisfied that other circumstances exist which make it just and convenient for the order to be made.

### **Background and History**

10. There is a long-standing and unhappy history to this matter. The Applicants are understandably frustrated by the continuing deterioration in the condition of the Block and the associated affect upon their enjoyment and the value of the flats.
11. For many years, the freeholder has failed to undertake his duties in accordance with the lease. At item 18 of his undated statement (page 110 in the bundle) he states "In relation to past matters, I do acknowledge that there have been problems in relation to disrepair"
12. The Applicants made a similar application to the Tribunal in 2014 for the appointment of a Manager and a copy of the decision is at page 126 of the bundle. At this time, the Tribunal appointed Mrs. Overill to manage Longridge Court for a period of two years.
13. Unfortunately, this did not resolve matters and the events since Mrs. Overill's appointment are helpfully summarised in a witness statement from Martina McKay (page 166 of the bundle)
14. Mrs. Overill was unable to carry out any of the works in the absence of funds from the freeholder. When the two year appointment expired, she decided to retire.
15. The present application is before the Tribunal because little progress has been made and the ongoing problems continue.

## Documents

16. The Applicants provided a comprehensive bundle of documents as required by the Directions. Unfortunately, several of the statements were unsigned and/or undated and it was not easy for the Tribunal to establish which were relevant to the current application. There was some duplication but it may be summarised that the bundle included copies of the following:

- The Application to the Tribunal dated 17 January 2018
- Preliminary Notice dated 15 August 2017 under s.22 Landlord and Tenant Act 1987 together with the four accompanying schedules
- A building survey carried out on 8 April 2014 by Sussex Surveyors together with an appendix of photographs
- Specification and schedule of works prepared by Overill Associates, Chartered Building Surveyors, and dated December 2015
- The decision made by the First Tier Tribunal on 22 December 2014
- A letter from the freeholder dated 5 June 2016 addressed to Howlett Clarke dealing with an extension of time request, distribution of fee and costs and Management Orders (This letter pre-dates the current application)
- A statement from the freeholder which is undated. It appears to be related to the previous application to the Tribunal.
- A letter dated 7 February 2018 from the Tribunal to Howlett Clarke confirming agreement to an extension of time for compliance with the directions.
- Directions issued by the Tribunal on 19 January 2018
- Witness statement of Philip Stevens dated 20 February 2018 with accompanying photographs (There is a further statement of Philip Stevens. It is undated and unsigned. The Tribunal assumes that it relates to the previous application)

- Witness statement of Martina McKay dated 22 February 2018
- Service charge statement and statement of account for year ending 24 March 2015
- Accountants certificate dated 24 March 2016
- Service charge account for year ending 28 July 2017
- Summary of tender documents received from Deacon Building Services (23 February 2016), MRG Ltd. (23 February 2016) and Chroma Building Services Ltd. (24 February 2016)
- Statement of Estimates issued on 11 March 2016 by Austin Rees
- Quotation from Brighton Fire Alarms dated 20 July 2016
- Quotation from Diamond Electrical Solutions dated 10 July 2016
- Supplemental witness statement from Martina McKay dated 10 April 2018
- The lease of Flat 12 Longridge Court
- Witness statement and curriculum vitae provided by Gary Pickard (Proposed Manager)
- Management plan provided by Gary Pickard together with verification of professional indemnity insurance
- Supplemental witness statement of Gary Pickard
- Draft Management Order

The above is not intended to be a complete list of all documents in the bundle.

17. The day before the hearing, the Applicants provided a skeleton argument, third draft Management Order and transcripts of two cases which are considered to be relevant.
18. In response to initial questions from the Tribunal, Mr. Christian Panayi, Counsel for the Applicants, confirmed the following:
  - (a) On page 107 of the bundle, there is a letter from the Freeholder to Howlett Clarke relating to various matters, including a request for an extension of time. This pre-dates the current application and is not directly related thereto.
  - (b) The statement from the Freeholder, which appears at page 110 of the bundle, is undated and it is confirmed that it relates to the

previous application. The Freeholder has not responded to any communication in connection with the present application.

### **Lease**

19. The Tribunal has been provided with a copy of the lease of Flat 12 and it is assumed that the other relevant leases are in similar form.
20. The lease does not mention a garage.
21. "The block" is identified in Clause 1 on the front page but no coloured plan is attached to the Tribunal's copy of the lease.
22. Insofar as they are relevant to this application, mention is made of the following:
  - (a) Clause 4(2)(i) requires the tenant to pay and contribute...one twelfth part of all moneys expended by the landlord in complying with its covenants in relation to the block...
  - (b) By virtue of Clause 6(4) the landlord will, subject to the conditions and payment of the tenant's proportion:
    - (i) Remedy all defects in and keep in good and substantial repair and condition...the parts of the block not comprised in the flat or any of the flats in the Block and not the subject of the tenant's covenant..or any other similar tenant's covenant...including:
      - (a) The roofs and the gutters pipes drains and other devices for conveying rainwater from the Block
      - (b) The main structure of the Block (including the foundations basement exterior walls and balconies) excluding the glass and all moveable and opening parts and weatherstrippings of the windows and of the front doors of all flats
      - (c) The passages staircases landings entrance and all other parts of the Block enjoyed or used by the tenant in common with the other tenants or occupiers of the Block
      - (d) the gas water pipes conduits ducts sewers drains and electric wires and cables and all other the gas water sewage drainage electric and ventilation

- installed in under or upon the Block and enjoyed or used by the tenant in common with the other tenants or occupiers of the block but excluding such installations and services as are incorporated in and exclusively serving the flat
- (e) the parking spaces driveways paths forecourts including the dustbin area and planting boxes and grounds of the Block (including the boundary walls and fences...
- (ii) Paint varnish oil or distemper all parts of the entrance entrance halls passages stairs landings and any other parts thereof (not comprised in any of the flats in the Block) which are usually painted varnished oiled or emulsioned with two coats of good paint varnish oil or distemper as often as the landlord considers it necessary to do so
  - (iii)
    - (a) So far as practicable keep the entrance entrance halls passages stairs landings and other communal parts of the Block clean and reasonably lighted
    - (b) Repair and renew the existing floor coverings in the entrance entrance halls passages stairs landings and other communal parts of the Block as often as such repair or renewal shall in the landlord's opinion be necessary or desirable.
  - (x)
    - (a) Comply at all times with any requirements orders or regulations now or hereafter made by any local or other authority in relation to the Block or any part thereof pursuant to any statutory power or authority except in so far as the obligation of complying with the same falls on the landlord under the tenant's covenants...
    - (b) Comply at all times with the requirements of all Acts of Parliament and statutory instruments... which effect the Block or the management thereof in any manner whatsoever except so far as the



obligations of complying with the same falls on the tenant...

- (c) (Without prejudice to the generality of the covenants on its part hereinbefore contained) do all such things that shall in the landlord's opinion be reasonably necessary or desirable in the interests of good estate management or for the benefit of the occupiers of the Block

In addition to the above, it is considered prudent to refer to additional clauses in the lease which may be pertinent to ongoing discussions.

Clause (viii) requires the landlord to

- (a) Co-operate with the owners or occupiers of any adjoining or adjacent premises and to pay to them or otherwise contribute such moneys as shall in the landlord's opinion be due to them in respect of such repairs
- (b) Recover from the owners or occupiers of any adjoining or adjacent premises by proceedings or otherwise such moneys as shall in the landlord's opinion be due from them in respect of such repairs
- (c) In the event of any dispute between the landlord and the owners or occupiers of any adjoining or adjacent premises take such professional advice settle or compromise such disputes on such terms as the landlord may consider reasonable issue and pursue such proceedings refer the matter to arbitration or take such other action of any kind whatever as the landlord may consider necessary or desirable in the interests of the tenants of the flats in the Block PROVIDED ALWAYS and it is hereby agreed that any adjoining or adjacent land of the landlord not within the area edged red on the plan shall for the purpose of this sub-clause be considered to belong to persons other than the landlord

The above information is a matter of record and the Tribunal makes no observations on the wording or responsibilities under the lease.

### **Hearing**

23. The hearing in this matter took place on 3 May 2018 at City Gate House, 185 Dyke Road, Brighton starting at 10:30. The Applicants were represented by Mr Panayi of Counsel. Also in attendance were Martina McKay and Sophie Burton from Howlett Clarke, Philip Stevens (Flat 12) and Gary Pickard (prospective Manager) The Respondent did not attend and was not represented.
24. Mr. Panayi had prepared a very helpful skeleton argument and comprehensive witness statements have been received from Mr. Stevens and Mrs. McKay. In the circumstances, there was nothing to be gained from an examination of the witnesses as the Tribunal considered that it had been provided with sufficient information regarding the background and circumstances.
25. Mr. Panayi expanded on the points made in his skeleton argument and emphasised points that he invited the Tribunal to consider.
26. Longridge Court is in serious disrepair and requires the appointment of a Manager. This has been the case for a number of years due to neglect by the Freeholder. He is seeking an order with extensive powers but considers that this is in the interests of all parties. Section 24 allows for a broad scope of Power to achieve the objective.
27. In support of his view, he made reference to decisions of the Upper Tribunal and Court of Appeal and copies of these decisions had been provided to the Tribunal.
28. **Maunder Taylor v Blaquiére**  
This case was decided by the Court of Appeal on 14 November 2002. Attention was drawn to items 41-43 of the decision from which the following are extracted:  
“In my view the purpose of Part II of the 1987 Act is to provide a scheme for the appointment of a manager who will carry out the functions required by the court.. The manager carries out those functions in his own right as a court-appointed official. He is not appointed as the

manager of the landlord or even of the landlord's obligations under the lease. "

"The manager acts in a capacity independent of the landlord. In this case, the duties and liabilities laid down in the order are defined by reference to the lease, but do not alter his capacity. In my view, Mr. Maunder Taylor's right to the money claimed arose from his appointment not from the lease."

"... it is possible for a manager to seek to protect his position in respect of a claim that a tenant may have against a landlord that has failed to carry out activities appropriate to his position as landlord, but if that be a requirement of the law there could be cases when managers would be reluctant to be appointed. That could not have been the intention of Parliament."

29. **Queensbridge Investments Ltd v Lodge**

This case was decided by the Upper Tribunal (Lands Chamber) on 19 November 2015.

The management order allowed the manager to collect rents from commercial units even though they were not part of the application. The Lessor's appeal was dismissed. It was decided that, in exceptional cases, the Tribunal can take the entirety of management duties away from the Freeholder. This is such a case.

30. Attention was drawn to items 41-48 plus 55 of the decision. The summary of the decision states "While there must be a reasonable relationship of proportionality between the terms of a management order made under s.24 of the Landlord and Tenant Act 1987 and entitlements of the lessees under the leases, viewed in the light of the relevant law including the terms of the Act and the matters that Parliament considered tenants should be entitled to expect, in an exceptional case a tribunal has power to impose extensive terms to take the management functions for the whole property (including the commercial parts) from the lessor going beyond the terms of the leases and interfering substantially with the lessor's property rights.

31. There is a parallel in the present application with particular regard to non payment of the Freeholder's contribution. This was the primary frustration of the previously appointed manager.
32. Mr. Panayi considers that the Management Order as drafted will prove to be far less onerous than pursuing matters in the County Court. Such action would cause delay and tie matters up in a legal process. In addition, significant costs would initially fall upon the lessees and the freeholder may find that he has heavy County Court judgements against him. This would be far more damaging to the freeholder than allowing the Manager to draw money from the income from the flats.
33. The witness statement provided by the Respondent in connection with the previous application (page 112, para 7 of the bundle) states:

“Upon hearing of the Leaseholder's allegations of disrepair I returned to the UK in September 2013 to address matters and to investigate the extent of remedial works necessary and to find out if there were problems with Thatcher's management of the property as I could not understand how these defects had arisen or failed to be addressed when there should have been sufficient funds within the service charge accounts to upkeep and maintain the same. This did cause me some concern at this time as by my calculations there was over £60,000 collected from me from my lettings of which only £16,000 odd to date has been paid to me leaving a shortfall of some £44,000. “
34. Item 19 of the above witness statement includes the following:

“In any event , in relation to the ongoing works, I would like to assure the Tribunal and the Applicants that I have more than sufficient monies to pay for my share of the remedial works as my rental income from my flats and a shop that I also own which is not connected to the Property is approximately £2,855 per month and is now being collected directly by myself and these funds are under my direct control. Indeed, this is the sum that was previously available to Thatchers to utilise towards the upkeep of the Property during the term of their instruction. “
35. Mr. Panayi infers from the above that the freeholder envisages that rental income would be used to fund service charge contributions

36. On page 219 of the bundle is a copy of an email from the previously appointed manager from which is extracted “In relation to works completed we have merely done routine maintenance as well as putting some nosings to staircase which would have been dangerous. We urgently need to do building works and fire precaution works, but have been trying to get in funds. With the freeholder withholding payments we have not been able to get very far other than survey work and identification of issues including fire precaution works required.”
37. The Freeholder has mentioned that the four retail units in Longridge Court should contribute to maintenance of the Block and that the total number of units would then become 16. Notwithstanding this view, the freeholder has made no contribution whatever to the service charge account.
38. Mr. Panayi provided Office Copy Entries from which it could be seen that there was no mention of the shops or a requirement to contribute towards repairs etc. In addition, the leases do not support this position.
39. At the bottom of Page 245 of the bundle is the start of the Landlord’s repairing obligations in the lease and this refers to a one twelfth part.
40. It is quite clear that each flat pays a one twelfth contribution. The Freeholder does not dispute that he should make a contribution – he just disputes the proportion.
41. Clause 21 of the skeleton argument states as follows:

“The four shops may be required to contribute pursuant to a duty of care to minimise risk of damage or injury to their neighbours or their neighbours’ property. This would need to be established either by agreement or upon determination by the Court. Ms McKay refers to recent contact having been made by McCarthy Webb solicitors acting on behalf of some of the shops seeking to discuss the position. It is hoped that the appointment of Mr. Pickard would facilitate the development of such discussions for the purposes of reaching an agreement. It should be noted that the respondent does not appear to have taken any steps to agree a contribution from the shops”
42. The Tribunal then proceeded to hear evidence from the proposed manager, Mr. Pickard, about his knowledge and experience in property

management. He had helpfully provided a detailed witness statement, Curriculum Vitae, Management Plan and verification of professional indemnity insurance.

43. In response to questions from the Tribunal, Mr. Pickard confirmed that:
- (a) He is willing to accept the appointment
  - (b) He will initially engage a qualified surveyor to prepare a report upon the condition of the property and will use this as a basis for the preparation of a phased schedule of works that would be discussed with the parties.
  - (c) He has experience of dealing with similar situations.
  - (d) If given authority by the Management Order, he would collect rents from the tenants of the residential units owned by the freeholder. How valuable this would be as a contribution would depend on the cost of the works identified in the survey report.
  - (e) He would endeavour to meet with the freeholder to discuss the situation, following which service charge demands would be issued. If it became necessary, Court action would be taken against the freeholder.
44. The Tribunal then raised the question of ownership and responsibility for maintenance of the six garages at Longridge Court.
45. The matter was considered by the applicants and the position is far from clear. It seems that the garages are in disrepair but ownership is uncertain and none of the flats sold on long lease include a garage. Mr. Pickard will need to investigate this.

### ***Decision***

46. The Tribunal was satisfied that section 24(2)(b) of the Act had been met and that a manager of the property should be appointed under section 24(1). The main circumstances that the Tribunal had regard to were:
- (a) The long standing and historic disputes between the parties about the general maintenance of the property.
  - (b) the failure of the freeholder to make any contribution towards the service charges.

- (c) The breakdown in the relationship between the parties over several years appeared to be insurmountable. This had resulted in an impasse regarding the management of the property which could only be resolved by the appointment of an independent manager.
  - (d) that the respondent had not taken any part in these proceedings. He had not challenged any of the grounds relied on by the applicants in support of the application and did not state that he opposed the appointment of a manager.
47. The Tribunal was also satisfied that Mr. Pickard possessed the requisite knowledge and experience to be appointed as the manager for an initial term of 5 years and it made the order confirming his appointment at the hearing from the same date. The purpose of this decision is to administratively confirm reasons for the Tribunal's decision and to approve the terms of the management order, which is annexed to this decision.
48. The terms of the order are unusually onerous. In particular, the Freeholder is deprived of his right to receive rent from the five flats that are let on Assured Shorthold Tenancies.
49. The tribunal carefully considered the arguments on this point put forward by Mr. Panayi during the hearing and is satisfied that the provisions are necessary to resolve the matter and are proportionate to the circumstances. The Tribunal was particularly persuaded by the following:
- (i) The proposed management order is proportional in all the circumstances and will be beneficial to all concerned.
  - (ii) Without this provision, a manager is unlikely to make much progress in collecting a contribution from the freeholder without significant costs and delay to the detriment of the Lessees.
  - (iii) The previous decisions referred to by Mr. Panayi give a strong indication that this is the right approach if the circumstances warrant it.

50. As far as costs are concerned, the Tribunal advised that it is not prepared to consider same at this stage.
51. In the past, doubt has been raised as to whether the Respondent has received relevant documents. The respondent has retained one of the flats at Longridge Court as a residence in the United Kingdom but spends much of his time in Australia. In view of the continuing lack of response to communications which were sent to addresses in both countries, the Applicants further sent all relevant papers to the Respondent by email. The witness statement from Mr. Stevens includes a copy of an email dated 6 February 2018 received from the Respondent which confirms that, at that time, the email was "live" and being monitored by the Respondent.
52. In any event, the question of costs has only been raised the day before the hearing and it is arguable that the Respondent may have had insufficient time to consider the matter. Indeed he may not even have seen the papers.
53. The Tribunal determines that it is not willing to give an indication at this time with regard to costs. Following publication of this decision, if the Applicant makes a further application for costs, this will be dealt with in the usual manner and representations will be invited from both parties.

Roger A. Wilkey  
3 May 2018



## **Appeals**

54. A person wishing to appeal this decision to the Upper Tribunal (Lands Chamber) must seek permission to do so by making written application to the First-tier Tribunal at the Regional office which has been dealing with the case.
55. The application must arrive at the Tribunal within 28 days after the Tribunal sends to the person making the application written reasons for the decision.
56. If the person wishing to appeal does not comply with the 28-day time limit, the person shall include with the application for permission to appeal a request for an extension of time and the reason for not complying with the 28-day time limit; the Tribunal will then decide whether to extend the time limit, or not to allow the application for permission to appeal to proceed.
57. The application for permission to appeal must identify the decision of the Tribunal to which it relates, state the grounds of appeal, and state the result the party making the application is seeking.
58. If the First-tier Tribunal refuses permission to appeal, in accordance with section 11 of the Tribunals, Courts and Enforcement Act 2007, and Rule 21 of the Tribunal Procedure (Upper Tribunal) (Lands Chamber) Rules 2010, the Applicant/Respondent may make a further application for permission to appeal to the Upper Tribunal (Lands Chamber). Such application must be made in writing and received by the Upper Tribunal (lands Chamber) no later than 14 days after the date on which the First-tier Tribunal sent notice of this refusal to the party applying for permission.

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

**Case Reference:** CHI/21UF/LAM/2018/0001

**Property:** LONGRIDGE COURT, LONGRIDGE AVENUE  
SALTDEAN, BRIGHTON  
EAST SUSSEX BN2 8LY

**BETWEEN**

**APPLICANTS:** 1) IAN BLAKE  
2) IAN CRAWFORD  
3) KEITH FREDERICK JAMES PANTRIDGE  
4) LAURA ELIZABETH VICTORIA WELLS  
5) PHILLIP EDWARD STEVENS

**-and-**

**RESPONDENT:** PANAYIOTIS THEODSSIOU

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**MANAGEMENT ORDER**

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1. In this Order

- a. "the Property" means Flats 1-12 Longridge Court, Saltdean BN2 8LY, registered under Title Number ESX79614 including the six garages.
- b. "the Respondent" includes the current landlord of the Property, Panayiotis Theodssiou, and any of his successors in title.
- c. "Lessee" means a person holding any of the flats in the Property under a long lease as defined by Section 59(3) of the Landlord and Tenant Act 1987 ("the LTA 1987").
- d. "the Respondent's Flats" means those flats in the Property retained by the Respondent – i.e. Flats 2,4,5,6,9 and 11.
- e. "the Respondent's Tenant" means any person occupying any of the Respondent's Flats under a tenancy or licence to occupy.

2. It is ordered that:

In accordance with Section 24(1) of the LTA 1987, Mr Gary Pickard of Jacksons, 193 Church Road, Hove, East Sussex BN3 2AB ("the Manager") be appointed manager of the Property for a period of five years from the date of this order ("the Period").

3. The Manager shall during the Period manage the Property in accordance with the following:
  - a. The Directions and Schedule of Functions and Services set out below.
  - b. The rights and obligations of the Respondent under the leases demising the flats at the Property ("the Leases"), and under the tenancies granted to the Respondent's Tenants ("the Tenancies"), and under any new tenancies entered into where the same is permitted under the terms of this Order, and in accordance with all relevant statutory requirements and the requirements of the Service Charge Residential Management Code published by the Royal Institution of Chartered Surveyors ("RICS") and approved by the Secretary of State of England and Wales under Section 87 of the Leasehold Reform Housing and Urban Development Act 1993.
  - c. The powers at paragraph 4 below.
  - d. Paragraph 5 below.
  
4. The Manager shall be entitled to exercise the following powers:
  - a. The power to delegate to other employees of Jacksons, appoint solicitors, accountants, architects, surveyors and other professionally qualified persons as they may be reasonably required to assist them in the performance of their functions and pay the reasonable fees of those appointed.
  - b. The power to appoint any agent or servant to carry out any such function or obligation which the Manager is unable to perform himself or which can more conveniently be done by an agent or servant and the power to dismiss such agent or servant.
  - c. The power to open and operate client bank accounts in relation to the management of the premises and to invest monies pursuant to their appointment in any manner specified in the Service Charge Contributions (Authorised Investments) Order 1998 and to hold those funds pursuant to Section 42 of the LTA 1987 and shall keep in an account or accounts established for that purpose monies received on account of the reserve fund.
  - d. The power to rank and claim in the bankruptcy, insolvency, sequestration or liquidation of the Respondent or any Lessee owing sums of money under his lease.
  - e. The power to insure the building as a cost to the Service Charge account.
  - f. The power to raise a reserve fund.
  
5. Where stated at any part of this Order that the liabilities or obligations of the Respondent shall be exercised by the Manager, or otherwise that the Manager shall carry out duties in accordance with such liabilities or obligations, the Manager shall not be personally liable in respect of such liabilities or obligations as if he were the Respondent. In particular, the Manager shall not be personally liable to make any payments due from the Respondent but shall instead be entitled to demand and collect sums from the Respondent for the purposes of making such payments. Nor shall any person be entitled to claim in set-off or otherwise

against the Manager for any breach of the Respondent's liabilities or obligations. The Manager's liability shall be to the extent of the duty of care required in the performance of his duties under the terms of this Order and under law.

## DIRECTIONS

1. From the date of appointment and throughout the Period, the Manager shall maintain a policy of professional indemnity insurance to provide sufficient cover for his obligations and liabilities as Manager.
2. The parties to this application shall, not later than 28 days from the date of this Order, transfer to the Manager all relevant accounts, books, records, survey reports, funds and any other necessary information, and arrange an orderly transfer of responsibilities to the Manager.
3. The Manager is entitled to such disclosure of documents as held by the Respondent, their advisors or agents as is reasonably required for the proper management of the Property.
4. The rights and liabilities of the Respondent as landlord arising under any contracts of insurance, and/or any contract for the provision of any services to the Property shall in 28 days from the date of this Order be exercised by the Manager.
5. The Manager and the parties shall be entitled to apply to the Tribunal for further directions.
6. The Manager shall be entitled to remuneration as set out below (which for the avoidance of doubt shall be recoverable as part of the Service Charges).
7. The Respondent shall allow the Manager and/or any contractor appointed by him under the terms of this Order, access to the exterior and communal areas of the Property to enable work and maintenance to be carried out and also to enable the Lessees to exercise the rights granted to them in the Leases.
8. The Respondent shall permit the Manager and assist him as he reasonably requires to serve upon the Lessees any notices under Section 146 of the Law of Property Act 1925, or exercise any right of forfeiture or re-entry or anything incidental or in contemplation of the same.
9. The Manager is directed to register a restriction in Land Registry standard form N against the Respondent's estate registered under Title Number ESX79614 in the following words "No disposition of the registered estate by the proprietor of the registered estate or by the proprietor of any registered charge is to be registered without written consent signed by Gary Pickard of 193 Church Road, Hove, East Sussex, BN3 2AB". The registration fee in respect of such disposition shall be at the reasonable rate of the solicitor nominated by the Manager for this purpose.
10. The Manager shall register the order against the above title number in accordance with Section 24(8) of the LTA 1987.

## SCHEDULE OF FUNCTIONS AND SERVICES

### 1. Service Charges

- 1.1. The Manager shall prepare an annual service charge budget, administer the service charges, and maintain appropriately detailed schedules of income and expenditure for audit by the appointed accountant who shall prepare appropriate accounts in accordance with the Leases and any relevant Code of Practice.
- 1.2. The Manager shall demand and collect from the Lessees service charges, insurance premiums, and any other payments (other than ground rent) arising under the Leases as appropriate.
- 1.3. Under the terms of the Leases, the Respondent is liable to contribute for each of its flats on the same basis in every respect as if it was a leaseholder subject to the same terms as the other Lessees. Such contribution shall include, by reference to clause 4(2) of the Leases, the Respondent's liability to pay six-twelfths (i.e. 50%) of all monies to be expended in complying with the landlord's covenants under clauses 6(2) and 6(4) of the Lease.
- 1.4. The Manager shall demand and collect from the Respondent, the Respondent's contribution for service charges, insurance premiums, and any other payments, arising under the Leases, or by operation law.
- 1.5. The Manager shall hold all monies received pursuant to this Order and/or pursuant to the provisions in the Leases as a trustee in an interest-bearing account (if appropriate) pending such monies being defrayed.
- 1.6. The Manager shall be permitted to raise quarterly or ad hoc Service Charge demands.

### 2. The Respondent's Flats

- 2.1. The Manager shall manage the Tenancies in accordance with the rights and liabilities of the Respondent, upon the Manager providing written notice of the same to the Respondent's Tenants, such notice to include a copy of this Order.
- 2.2. The rights referred to include the right to demand and collect rent payable by the Respondent's Tenants under the terms of the Tenancies, and the right to terminate any of the Tenancies.
- 2.3. Any rent collected shall be applied to discharge any liability or contribution due from the Respondent in respect of the Respondent's Flats and the Property as a whole, and under the terms of this Order. Any balance left over after accounting for such liabilities / contributions shall be paid to the Respondent.
- 2.4. Upon the Manager's request, the Respondent shall provide the Manager with a copy of the lease agreement for Flat 5 in the Property and copies of the tenancy agreements for the Tenancies. The latter may also be requested from the Respondent's Tenants.
- 2.5. The Manager shall have the right to grant a new assured shorthold tenancy to any of the Respondent's Tenants or to any other person in respect of any of the Respondent's Flats, with the exception of Flat 11, so long as, where required, any subsisting Tenancies are lawfully terminated.

### 3. Accounts

- 3.1. The Manager shall prepare an annual schedule detailing all monies received and expended and held over or held by way of reserve fund.
- 3.2. The Manager shall produce for inspection relevant receipts or other evidence of expenditure (but not more than once in each year) within a reasonable time following a written demand by the Lessees or the Respondent and provide VAT invoices (if any).
- 3.3. The Manager shall account for all monies collected in accordance with any relevant Association of Residential Managing Agents (ARMA) Code of Practice.

### 4. Maintenance and Management

- 4.1. The Manager shall arrange, manage and, where appropriate, administer all repair and maintenance, building work and service contracts applicable to the Property, and instruct contractors to attend to the same as appropriate.
- 4.2. If applicable, the Manager is to instruct a RICS surveyor to carry out the following:
  - a. Inspections of the Property;
  - b. Prepare specifications and schedules of works and carry out contract administration;
  - c. Prioritise repairs with a view to spreading the costs over a period of time;
  - d. Prepare an estimate of costs to assist in the prioritisation of works.
- 4.3. Based on information supplied by the RICS surveyor, the Manager is to prepare a report for discussion with the parties.
- 4.4. The Manager will instruct the surveyor to obtain tenders for works as set out in the specifications and schedules of works and time frame. The Manager will, as appropriate, prepare and enter into the S20 Consultation process (i.e. the consultation process required under Section 20 of the Landlord and Tenant Act 1985 (“the LTA 1985”)).

### 5. Fees

- 5.1. For the duration of this Order the Manager shall be entitled to charge the following by way of fees:
  - (a) A one-time set-up fee of £1,000 +VAT to cover 10.5 hours’ work, plus an hourly rate not exceeding £95.00 plus VAT for any additional time reasonably required, to complete the following tasks:
    - (i) Initial inspections of the Property
    - (ii) Consideration of documents
    - (iii) Preparation of proposed management plan

(b) A standard management fee of £2,880 + VAT plus disbursements for the basic management duties listed (i) to (xi) below (“the Standard Management Fee”):

- (i) Collection of Service Charges
- (ii) Payment of all invoices
- (iii) Maintaining Service Charge income and expenditure details for handover to an accountant to audit and produce certified year end accounts.
- (iv) Managing day to day repair issues, including arranging contractors to carry out repairs, with costs of repairs to be paid for out of Service Charges.
- (v) Providing a telephone number for emergency out-of-hours calls of a maintenance nature.
- (vi) 4x visits to the Property per annum to carry out on-site inspections.
- (vii) Communicating with the Lessees and with the Respondent but not beyond reasonable correspondence.
- (viii) Providing a point of contact for maintenance issues.
- (ix) Providing a point of contact for accounts issues.
- (x) Annual reporting to Lessees and to the Respondent.
- (xi) Oversight of health and safety compliance.

5.2. Subject to paragraphs 5.3 to 5.7 below, additional fees may be charged for any work reasonably required to be carried out which falls outside of set up requirements or basic management duties. Such work may include additional site visits, attending Court cases, attending out-of-business-hours meetings, and any of the services listed in the attached “Schedule of Services attracting additional charges”. Additional fees shall be charged as follows, as appropriate:

- (a) At the following hourly rates:
  - (i) £95 + VAT for the Manager
  - (ii) £75 + VAT for an Associate
  - (iii) £60 + VAT for a Property Manager.
- (b) Disbursements shall be paid in addition.
- (c) The recovery of outstanding Service Charge monies shall give rise to an administration charge payable by the defaulting Lessee of £30.00 + VAT for each letter written after the first.
- (d) The registration of dispositions shall give rise to a reasonable charge to be levied by the Manager’s nominated solicitors.

5.3. For major works, instead of charging an hourly rate, the Manager may charge 5% of the cost of the works to include the service of notices in connection with the procedures under section 20 of the LTA 1985 and dealing with the responses, but excluding the professional fees of any architect, surveyor or other appropriate

professional for the preparation of a specification and schedule of works, tendering same to include a tender report and contract administration.

- 5.4. An additional charge shall be made in relation to the arrangement, claims handling and brokerage of insurances for the premises, public liability, engineering, and employee cover. Such fee shall be based on 20% of the insurance premium and shall be payable in full by the appointed insurance brokers for whom the Manager is an authorised representative.
- 5.5. The Manager is entitled to charge a sum not exceeding £250 +VAT for dealing with solicitors' enquiries upon assignment by any of the Lessees of their lease, such sum to be paid by the outgoing Lessee.
- 5.6. All fees herein or any of them may be reviewed annually by the Manager. In default of agreement with the Lessees the Manager shall be at liberty upon the giving of 14 days written notice to increase the fees by 10% or in line with the relevant annual level of increase in the RPI since the date the previous fees payable were set, whichever is the higher.
- 5.7. Where ordered that the Manager should manage the Tenancies and collect rent from the Respondent's Tenants, then the Manager shall be paid the following fees in connection with same:
- (a) 7.5% of the annual rent + VAT for lettings, to include, where required, the preparation and execution of an Assured Shorthold Tenancy agreement, the preparation and execution of a guarantee document, and at least 2 inspections of the flat in each year of the agreement.
  - (b) 7.5% of the gross collection + VAT to be deducted from the monies collected to include:-
    - (i) Obtaining an annual gas safety certificate and a satisfactory electrical safety inspection but excluding the costs of any works necessary for the obtaining of same and the contractors charge for issuing the certificate.
    - (ii) The arranging of an Energy Performance Certificate (EPC) but excluding the cost of the specialist preparing the certificate and any works necessary in obtaining a compliant EPC. Where additional works are necessary for the purpose of obtaining the EPC these would be payable by the landlord from the rental income and would be at the rate given in 5.2 (a) (i)-(iii) as applicable together with any fees charged by any surveyor appointed for the purpose.
    - (iii) Arranging for an ingoing schedule of condition, where any flat is unfurnished. A separate company is usually appointed to prepare the schedule at a cost of £70-£95 + VAT.
    - (iv) Arranging for any outgoing schedule of condition charged by the independent company usually at the rate of £55-£65 + VAT. (Under the terms of our agreements usually payable by the tenant however I am unaware of the provisions of the current tenancy agreements).
  - (c) Researching records and/or investigating statutory compliance an hourly rate of £50 +VAT plus reasonable disbursements.



## 6. Manager's right of action

- 6.1** The Manager shall be entitled to take such action as may be necessary, including bringing Court or Tribunal proceedings, to secure the compliance of the Lessees and/or of the Respondent with their obligations in respect of the Property, as prescribed under the Leases or under the terms of this Order or by operation of law. Such action may include forfeiture action and/or action to recover Service Charges, Maintenance and Management charges, the Fees, any rent arrears, and/or any other relevant contribution due.
- 6.2** For the avoidance of doubt, the entitlement under 6.1 includes the right of the Manager to take whatever legal action is necessary to recover any liabilities or contribution due from the Respondent in respect of the Respondent's Flats and the Property as a whole, the cost of such action to be funded by way of Service Charges and recoverable from the Respondent. The Manager shall be entitled to an indemnity for both its own costs reasonably incurred and for any adverse costs order out of the Service Charge account.