



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

**Case reference** : **LON/00BA/LVM/2022/0019**

**HMCTS code  
(paper, video,  
audio)** :

**Property** : **Flat 1 -15, 16 Arterberry Road, London  
SW20 8AJ**

**Applicant** : **(1) Anselm Rohindren Benedict  
(2) Alastair Phayre Richard  
Stewart and Heather Felicity  
Stewart  
(3) Sarah Jane Simonis**

**Representative** :

**Respondent** : **(1) Cynthia Diana Rowley  
(2) Marbeth Gordon**

**Tribunal-Appointed  
Manager** : **Mr Paul Cleaver**

**Type of application** : **Variation of order for the appointment  
of a manager**

**Tribunal members** : **Judge R Cohen  
Mr D Jagger FRICS**

**Venue** : **10 Alfred Place, London WC1E 7LR**

**Date of decision** : **12 December 2022**

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**DECISION**

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## **Decisions of the tribunal**

- (1) The tribunal varies the Management Order made by Judge Hansen on 13 March 2017 (as varied by order of Judge Hawkes dated 28 October 2020 and extended on an interim basis by order of Judge Vance dated 16 September 2022 until the final determination of these proceedings) until 28 October 2024 and subject to the terms of the Management Order and Directions now made.

### **(2) The application**

1. The Applicants seek an extension of the appointment of Mr Paul Cleaver as the Tribunal-Appointed Manager of the Property under section 24 Landlord and Tenant Act 1987 (the Act).
2. Mr Cleaver was appointed to that role by an order of the tribunal dated 13 March 2017. The original term of the appointment was three years. On 28 October 2020, the tribunal extended the term of the appointment until 28 October 2022. By application dated 27 July 2022, the Applicants seek a further extension of two years. By an order dated 16 September 2022, the appointment was extended on an interim basis until the final determination of these proceedings.
3. The previous decisions concerning the appointment of Mr Cleaver as manager of the Property are incorporated into this decision and should be referred to as necessary for the background .

### **The hearing**

4. The Second Applicants and the Third Applicant appeared in person, as did the Manager. Mr Pilipovich, who is not a party, accompanied the Third Respondent and made some points during the hearing. Neither the First Applicant nor the First Respondent appeared. The First Respondent had however written to the Tribunal stating that she did not object to the application. The Second Respondent emailed grounds of objection to the tribunal at about 6am on the morning of the hearing. The Tribunal had a short but sufficient opportunity to review that objection.
5. At the commencement of the hearing, the Third Applicant submitted a written skeleton which listed a number of items of concern which were raised in the course of the hearing.

### **The background**

6. The property which is the subject of this application is a Victorian property divided into five flats. The tribunal was shown the lease of flat

5, the Third Applicant's flat, as a specimen lease. It was granted at a premium at a peppercorn rent. It follows that the First Respondent's economic interest is negligible, which no doubt explains what appears to be her passive approach to the problems of management faced by the tenants and these proceedings.

7. Neither party requested an inspection and the tribunal did not consider that one was necessary, nor would it have been proportionate to the issues in dispute.

### **The issues**

8. At the start of the hearing the parties identified the relevant issues for determination as follows:

- (i) Whether the appointment of Mr Cleaver should be extended
- (ii) If so, for how long
- (iii) Ancillary matters

9. Having heard evidence and submissions from the parties and considered all of the documents provided, the tribunal has made determinations as set out in detail in its Management Order dated today

10. The Manager made the current application to the tribunal on behalf of the Applicants. The one Tenant who was not an Applicant Ms Gordon , the tenant of Flat 4, who was joined as the Second Respondent. Ms Gordon is the only active objector to the variation sought.

11. Ms Gordon has been a party to litigation concerning her obligations under her lease of flat 4. The tribunal were not shown any documents concerning that litigation and make no comment or finding as to the issues raised (whatever they may be). However, the Manager informed the tribunal that the total service charge arrears were currently about £48,000 of which about £35,000 was allegedly owed by Ms Gordon.

12. The tribunal makes no finding as to the liability of Ms Gordon to pay service charges. What is material is that there is clearly a dispute between the manager on the one hand supported by the Tenants of three of the flats (two actively) and, on the other, Ms Gordon. It appeared to the tribunal that the effective dispute is not between the Landlord and the Tenants but between one tenant and the other tenants.

13. Be that as it may, the Property has to be managed. That is the role that Mr Cleaver has fulfilled since March 2017. The issues for the tribunal are whether he is still needed and if so for how long. Also, are there specific matters he should address if his appointment is continued.
14. The Second Respondent is not impressed by the management of the property by the manager. In her objection she complained of many things including the following:

- (i) **Failure** to comply with the **Schedule of Functions and Services** sub section **Accounts para (i)** which states:

*Prepare and submit to the Respondent and lessees an annual statement of account detailing all monies received and expended'*

- (ii) **Failure** to comply with the **Tribunal Direction** which states:

*By no later than 12 months 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 and shall do so every 12 months thereafter for the duration of this order including any extension period as ordered by the Tribunal. The Manager shall also send a copy of any report submitted to the Tribunal to the Lessees no later than 14 days after the report has been submitted*

What was not reported was, a reduction of 85.7% in the overall attendance at the property by the new contractor. 84 hours per year currently now 12 hours. I have been at the property on all the occasions the gardener has attended and noted the time, on 1 occasion it was only 25 minutes.

Figure for this item in accounts 31 March 2022 was £908.40 equates to £75.70/hour

Figure for this item in accounts 31 March 2021 was £2736 equates to £33.17/hour.

In fact not a reduction at all.

In addition, if the work only requires 14.3% of the time claimed for this item from 17<sup>th</sup> March 2017 until 2021 it brings into question the reasonableness of the charges for this item during that period. The reasonableness of charges is also a point regarding the Cleaning Contract made in the Witness Statement

15. The case for the Applicants was in these terms:

Since the reappointment in 2020 there has been meaningful progress made in the day-to-day management functions at 16 Arterberry Road, including the budgeting and collection of service charge in accordance with leases and management order, maintaining suitable buildings insurance, commissioning of the necessary health and safety assessments to meet with current legislative requirements and ongoing maintenance of the building. Notwithstanding the progress made, two years has proved to be insufficient time to see all the issues at hand through to their conclusion and for this reason further work is going to be needed.

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

16. The tribunal has considered all of the information and documents produced by the parties. For the reasons given in the previous decisions leading to Mr Cleaver's appointment and the first extension, it is clear that a manager is needed. At the hearing, Mr Cleaver asked for the appointment to be extended by 5 years. The Tribunal reject that proposal. First, it was not the extension which was applied for; that was a two year extension. Secondly, it seems to be disproportionality long in that two years should be sufficient to make further meaningful progress.

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

17. The tribunal noted that Mr Cleaver's firm has professional indemnity cover greater than the minimum, which it would expect to see. Mr Cleaver informed the tribunal that he has sufficient time to manage the Property together with the other properties managed by his firm. He explained to the tribunal's satisfaction how he delegates the various tasks to junior colleagues. Mr Cleaver addressed the fees proposed which involve increases in the annual fee per flat and hourly rates and the parentage fee based on the cost of major works. Mr Cleaver informed the tribunal that these increases reflected inflation and the cost of staff in a competitive recruitment market for employers.
18. The tribunal considered the fee rates in line with market norms.

### **Service charge items**

19. The Manager said that if his appointment were re-extended he would take the steps necessary to recover the service charges due from the Second Respondent. The tribunal makes no comment as to the merits of such a claim or of any defences (perhaps as foreshadowed in her objection in this case).
20. The underlying problem is the service charge regime in the leases; a problem first noted by the tribunal (Judge Hansen) in 2017. The manager asked for authority to seek advice as to how a lease variation application could be made. Mr Cleaver suggested a budget of £10,000 for legal advice on the question who could make a valid application and for the detailed drafting of the variation documents leading to an application.
21. The tribunal holds that under section 24(4) of the Act, it has a discretion to authorise the manager to incur fees of that nature, The Tribunal concluded that provided the fees are reasonable in amount and reasonably incurred, a budget to go through the service charge of up to £10,000 is approved.

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

22. The tribunal accordingly makes an order in the terms of the accompanying Management Order .

**Name:** R Cohen

**Date:** 12 December 2022

### **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).



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

**Case Reference** : **LON/00BA/LVM/2022/0019**

**Property** : **Flats 1-5, 16 Arterberry  
Road,London,SW20 8AJ**

**Applicants** : **(1)Anselm Rohindren Benedict  
(2)Alastair Phayre Richard Stewart  
(3)Sarah Jane Simonis**

**Representative** :

**Respondent** : **(1) Cynthia Diana Rowley  
(2)Marbeth Gordon**

**Representative** :

**The Manager** : **Paul Cleaver  
Urang Property Management Limited**

**Tribunal members** : **Judge R Cohen  
Mr D Jagger FRICS**

**Date of Order** : **12 December 2022**

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## MANAGEMENT ORDER

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### Interpretation

1. In this Order:

**“The Property”** means the flats and other premises known as known as Flats 1-5, 16 Arterberry Road, London, SW20 8AJ and registered at HM Land Registry under title number SY102426 and shall include the flats and all other parts of the property.

**“The Landlord”** shall mean the First Respondent or her successors in title to the reversion immediately expectant upon the Leases.

**“The Tenants”** shall mean the proprietors for the time being of the Leases whether as lessee or under-lessee and "Tenant" shall be construed accordingly.

**“The Leases”** shall mean all leases and/or underleases of flats in the Property.

**“The Manager”** means Paul Cleaver of Urang Property Management Limited.

**“The Tribunal”** means the First-tier Tribunal (Property Chamber)

### ORDER

2. In accordance with section 24(1) of the Landlord and Tenant Act 1987 (“the Act”) the order of the Tribunal dated 13 March 2017 appointing **Paul Cleaver** of Urang Property Management Limited as Manager of the Property as varied by the order of the Tribunal dated 28 October 2020 is further varied as follows.
3. The Manager’s appointment started on 13 March 2017 (“the start date”) and shall end on **28 October 2024** (“the end date”).
4. For the avoidance of doubt, this Order supplements but does not displace covenants under the Leases and the Tenants remain bound by them. Where there is a conflict between the provisions of the Order and the Leases, the provisions of the Order take precedence.
5. The purpose of this Management Order is to provide for the management of the Property which includes taking steps to resolve the following problems of inadequate management identified by the Tribunal



- (a) A programme of works to the structure of the Property is in hand with remedial works performed to the front of the Property but not yet to the rear.
  - (b) Without prejudice to any defences which may be raised by the Tenants who are alleged to be in arrears, there are arrears of service charges which have accrued since the start date.
  - (c) The difficulties with the drafting of the Leases referred to by Judge Hansen in paragraphs 9 to 11 of his 13 March 2017 decision remain to be solved either by all the Tenants executing deeds of covenant or otherwise.
- 6. To address the steps identified in the previous paragraph and without prejudice to the provisions of this Management Order the Manager is empowered to:
  - (a) take proceedings against Tenants who are in arrears with their service charge payments in order to achieve the collection of the monies which are lawfully due; and
  - (b) instruct solicitors and counsel to advise whether(1) the Manager; and/or (2) a Tenant or Tenants has/have a right to apply to the Tribunal to vary the Leases to cure the difficulties referred to in paragraph 5(c) above and if in principle such right exists to instruct solicitors and/or counsel to settle the variations to each lease which the Tribunal would be asked to order and to make and progress that application. On the basis that the costs incurred are reasonable in amount and reasonably incurred, the Tribunal approves the charging of up to £10,000 via the service charges for legal fees for the work mentioned in this sub-paragraph.
- 7. By order dated 16 September 2022 in these proceedings, Judge Vance continued the then current appointment of Mr Cleaver as manager until the final determination of this application. The Manager shall from the date of this Order manage the Property in accordance with:
  - (a) the terms of the Management Order dated 13 March 2017 and varied by order dated 28 October 2020 as varied by this Order and the Directions set out below;
  - (b) the respective obligations of the Landlord and the Tenants under the Leases whereby the Property is demised by the Landlord (save where modified by this Order);
  - (c) the duties of a Manager set out in the Service Charge Residential Management Code (“the Code”) (3rd Edition) or such other replacement code published by the Royal Institution of Chartered Surveyors (“RICS”) and approved by the Secretary of State pursuant to section 87 Leasehold Reform Housing and Urban Development Act 1993(whether the Manager is a Member of the RICS or not); and

- (d) the provisions of sections 18 to 30 of the Landlord and Tenant Act 1985.
  - (e) The principle that the Manager will at reasonable intervals report, so far as is lawful, to the Tenants on progress with proceedings issued pursuant to paragraph 6(a) above including costs incurred and monies recovered.
8. From the date this Order comes into effect, no other party shall be entitled to exercise a management function in respect of the Property where the same is the responsibility of the Manager under this Order.
  9. The tribunal requires the Manager to act fairly and impartially in the performance of their functions under this Order and with the skill, care and diligence to be reasonably expected of a Manager experienced in carrying out work of a similar scope and complexity to that required for the performance of the said functions.
  10. The Manager or any other interested person may apply to vary or discharge this Order pursuant to the provisions of section 24(9) of the Act.
  11. Any application to extend or renew this Order **must** be made before the end date, preferably at least three months before that date, and supported by a brief report of the management of the Property during the period of the appointment. Where an application for an extension or renewal is made prior to the end date, then the Manager's appointment will continue until that application has been finally determined.
  12. The Manager is appointed to take all decisions about the management of the Property necessary to achieve the purposes of this Order. If the Manager is unable to decide what course to take, the Manager may apply to the Tribunal for further directions, in accordance with section 24(4), Landlord and Tenant Act 1987. Circumstances in which a request for such directions may be appropriate include, but are not limited to:
    - (a) a serious or persistent failure by any party to comply with an obligation imposed by this Order;
    - (b) circumstances where there are insufficient sums held by the Manager to discharge their obligations under this Order and/or for the parties to pay the Manager's remuneration; and
    - (c) where the Manager is in doubt as to the proper construction and meaning of this Order.

### Contracts

13. Rights and liabilities arising under contracts, including any contract of insurance and/or any contract for the provision of any services to the Property, to which the Manager is not a party, but which are relevant to the management of the Property, shall upon the date of appointment become rights and liabilities of the Manager, save that:

- (a) the Landlord shall indemnify the Manager for any liabilities arising before commencement of this Order; and
  - (b) the Manager has the right to decide, in their absolute discretion, the contracts in respect of which they will assume such rights and liabilities, with such decision to be communicated in writing to the relevant parties within 56 days from the date this order.
14. The Manager may place, supervise and administer contracts and check demands for payment of goods, services and equipment supplied for the benefit of the Property.
15. The Manager shall be responsible for responding to pre-contract enquiries regarding the sale of a residential flat at the Property.

#### Legal Proceedings

16. The Manager may bring or defend any court or tribunal proceedings relating to management of the Property (whether contractual or tortious) and, subject to the approval of the Tribunal, may continue to bring or defend proceedings relating to the appointment, after the end of their appointment.
17. Such entitlement includes bringing proceedings in respect of arrears of service charge attributable to any of the Flats in the Property, including, where appropriate, proceedings before this tribunal under section 27A of the Landlord and Tenant Act 1985 and in respect of administration charges under schedule 11 of the Commonhold and Leasehold Reform Act 2002 or under section 168(4) of that Act or before the courts and shall further include any appeal against any decision made in any such proceedings.
18. The Manager may instruct solicitors, counsel, and other professionals in seeking to bring or defend legal proceedings and is entitled to be reimbursed from the service charge account in respect of costs, disbursements or VAT reasonably incurred in doing so during, or after, this appointment. If costs paid from the service charge are subsequently recovered from another party, those costs must be refunded to the service charge account.

#### Remuneration

19. The Tenants are responsible for payment of 100 % of the Managers' fees, which are to payable under the provisions of this Order but which may be collected under the service charge mechanisms of their Leases.
20. The sums payable are:
- (a) an annual fee of £440 per flat for performing the duties set out in paragraph 3.4 of the RICS Code (so far as applicable);

- (b) any additional fees contained in a schedule to this Order for the duties set out in paragraph 3.5 of the RICS Code (so far as applicable); and
- (c) VAT on the above fees.

### *Service charge*

- 21. The Manager shall collect all service charges and insurance premium contributions payable under the Leases, in accordance with the terms and mechanisms in the Leases.
- 22. The Manager may set, demand and collect a reasonable service charge to be paid by the Landlord (as if he were a lessee), in respect of any unused premises in part of the Property retained by the Landlord, or let on terms which do not require the payment of a service charge.
- 23. The Manager is entitled to recover through the service charge the reasonable cost and fees of any surveyors, architects, solicitors, counsel, and other professional persons or firms, incurred by them whilst carrying out their functions under the Order.

### Administration Charges

- 24. The Manager may recover administration charges from individual Tenants for their costs incurred in collecting service charges and insurance which includes the costs of reminder letters, transfer of files to solicitors and letters before action. Such charges will be subject to legal requirements as set out in schedule 11 of the Commonhold and Leasehold Reform Act 2002.

### Disputes

- 25. In the event of a dispute regarding the payability of any sum payable under this Order by the lessees, additional to those under the Leases (including as to the remuneration payable to the Manager and litigation costs incurred by the Manager), a Tenant, or the Manager, may apply to the tribunal seeking a determination under section 27A of the Landlord and Tenant Act 1985 as to whether the sum in dispute is payable and, if so, in what amount.
- 26. In the event of a dispute regarding the payability of any sum payable under this Order by the landlord, other than a payment under a Lease, the Manager or the Landlord may apply to the tribunal seeking a determination as to whether the sum in dispute is payable and, if so, in what amount.
- 27. In the event of dispute regarding the conduct of the management of the property by the Manager, any person interested may apply to the Tribunal to vary or discharge the order in accordance with section 24(9) of the Landlord and Tenant Act 1987.

28. In the event of a dispute regarding the reimbursement of unexpended monies at the end of the Manager's appointment, the Manager, a Tenant, or the Landlord may apply to the Tribunal for a determination as to what monies, if any, are payable, to whom, and in what amount.

### **DIRECTIONS TO LANDLORD**

29. The Landlord must comply with the terms of this Order.
30. On any disposition other than a charge of the Landlord's estate in the Property, the Landlord will procure from the person to whom the Property is to be conveyed, a direct covenant with the Manager, that the said person will (a) comply with the terms of this Order; and (b) on any future disposition (other than a charge) procure a direct covenant in the same terms from the person to whom the Property is to be conveyed.
31. The Landlord shall give all reasonable assistance and co-operation to the Manager in pursuance of their functions, rights, duties and powers under this Order, and shall not interfere or attempt to interfere with the exercise of any of the Manager's said rights, duties or powers except by due process of law.
32. The Landlord is to allow the Manager and their employees and agents access to all parts of the Property and must provide keys, passwords, and any other documents or information necessary for the practical management of the Property in order that the Manager might conveniently perform their functions and duties, and exercise their powers under this Order.

### **DIRECTION TO CHIEF LAND REGISTRAR**

33. To protect the direction in paragraph 34 for procurement by the Landlord, of a direct covenant with the Manager, the Registrar is ordered to enter the following restriction in the register of the Landlord's estate under title no SY102426. The restriction is to have overriding priority against any search with `priority or pending application for a disposition of the registered estate (other than a charge) that has been lodged after the date of the application to HM Land Registry.

“No disposition of the registered estate (other than a charge) by the proprietor of the registered estate, or by the proprietor of any registered charge, not being a charge registered before the entry of this restriction, is to be completed by registration without a certificate signed by the applicant for registration or their conveyancer that the provisions of paragraph 36 of an Order of the Tribunal dated 12 December 2022 have been complied with”.

## **DIRECTIONS TO MANAGER**

34. The Manager must adhere to the terms of the Order above.

### Registration

35. The Manager must make an application to HM Land Registry for entry of the restriction referred to in paragraph 35, within 14 days of the date of this Order.

### Conflicts of Interest

36. The Manager must be astute to avoid any Conflict of Interest between their duties and obligations under this Order, and their contractual dealings. Where in doubt, the Manager should apply to the Tribunal for directions.

### Complaints

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

### Insurance

38. The Manager must maintain appropriate building insurance for the Property and ensure that the Manager's interest is noted on the insurance policy.
39. From the date of appointment, and throughout the appointment, the Manager must ensure that he has appropriate professional indemnity insurance cover in the sum of at least £2 million and shall provide copies of the certificate of liability insurance to the Tribunal, and, upon request, to any Tenant or the Landlord. The Certificate should specifically state that it applies to the duties of a Tribunal appointed Manager.

### Accounts

40. The Manager must:
- (a) prepare and submit to the Landlord and the Tenants an annual statement of account detailing all monies receivable, received and expended. The accounts are to be certified by the external auditor, if required under the Leases;
  - (b) maintain efficient records and books of account and to produce for these for inspection, to include receipts or other evidence of expenditure, upon request by the Landlord or a Tenant under section 22 Landlord and Tenant Act 1985;
  - (c) maintain on trust in an interest-bearing account at such bank or building society, as the Manager shall from time to time decide, into which ground rent, service charge contributions, Insurance Rent, and all other monies arising under the Leases shall be paid; and
  - (d) hold all monies collected in accordance with the provisions of the Code.

## Repairs and maintenance

41. The Manager must:

- (a) by 28 January 2023 draw up a planned maintenance programme for the period of the appointment, allowing for the periodic re-decoration and repair of the exterior and interior common parts of the Property, as well as any roads, accessways, mechanical, electrical and other installations serving the Property, and shall send a copy to every Tenant and to the Landlord;
- (b) subject to receiving sufficient prior funds:
  - (i) carry out all required repair and maintenance required at the Property, in accordance with the Landlord's covenants in the Leases, including instructing contractors to attend and rectify problems, and is entitled to recover the cost of doing so as service charge payable under the Leases or in accordance with the Order.
  - (ii) arrange and supervise any required major works to the Property, including preparing a specification of works and obtaining competitive tenders.
- (c) liaise with all relevant statutory bodies in the carrying out of their management functions under the Order; and
- (d) ensure that the Landlord, and the Tenants, are consulted on any planned and major works to the Property and to give proper regard to their views.

42. The Manager has the power to incur expenditure in respect of health and safety equipment reasonably required to comply with regulatory and statutory requirements.

## Reporting

43. By no later than six months from the date of appointment (and then annually) the Manager must prepare and submit a brief written report to the Tenants, and the Landlord, on the progress of the management of the Property up to that date, providing a copy to the Tribunal at the same time.

## End of Appointment

44. No later than 56 days before the end date, the Manager must:

- (a) apply to the tribunal for directions as to the disposal of any unexpended monies;



- (b) include with that application a brief written report on the progress and outcome of the management of the Property up to that date (a “Final Report”); and
- (c) seek a direction from the tribunal as to the mechanism for determining any unresolved disputes arising from the Manager’s term of appointment (whether through court or tribunal proceedings or otherwise).

45. Unless the tribunal directs otherwise the Manager must within two months of the end date:

- (a) prepare final closing accounts and send copies of the accounts and the Final Report to the Landlord and Tenants, who may raise queries on them within 14 days; and
- (b) answer any such queries within a further 14 days.

46. The Manager must reimburse any unexpended monies to the paying parties, or, if it be the case, to any new Tribunal appointed Manager within three months of the end date or, in the case of a dispute, as decided by the Tribunal upon an application by any interested party.

## Schedule of Additional Fees

47. Fees for the above mentioned management services will be a basic fee of £440 per annum per flat. For the avoidance of doubt, the total management fee payable will be £2,200 plus VAT and each lessee shall be liable to pay £440 plus VAT by way of management fee towards that sum (in addition to any service charges payable). Those services to include the services set out in the Service Charge Residential Management Code published by the RICS.

48. 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 a charge of a management fee on the Major Works which is based on the total contract value of the project. The charge is 6% for all the preparation before works start and 6% management fee once works are onsite/complete. The payments are split into 4 stages:

Notice of Intent – 2%/(Estimated if value is unknown)

Statement of Estimates (Inc. Tender Analysis)–4%

Managing on site works–2%

Final management instalment upon completion of works–4%

All above total 12% Management Fee

Subject to a minimum fee of £500

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

49. The preparation of insurance valuations and the undertaking of other tasks which fall outside those duties described above are to be charged for a time basis. Time will be charged as follows:

*Hourly rates – all exclusive of VAT*

Director/Associate Director £250.00

Surveyor £175.00

Senior Property Manager/Accounts Manager / Legal Administrator £175.00

Property Manager/Accounts Manager £150.00