

FIRST-TIER TRIBUNAL PROPERTY CHAMBER (RESIDENTIAL PROPERTY)

Case Reference : CAM/26UJ/LVM/2013/0001

CAM/26UJ/LVM/2024/0002

Flats 1-5, 134 High Street

Property : Rickmansworth

Hertfordshire WD3 1AB

Applicant/Manager : Matthew Stephen Young

1. Skylord Properties Ltd

2. Official Receiver3. Baljinder Singh

4. Jeffrey Benveniste (Flat 1)

Respondents : 5. Daniel Peppett (Flat 2)

6. Mr A Demin (Flat 3) 7. Ryan Norris (Flat 4)

8. Culdip Kaur Gangotra & Pavan

Kumar Gangotra (Flat 5)

Tribunal members : Judge David Wyatt

Date of Order : 7 February 2025

MANAGEMENT ORDER

Interpretation

1. In this Order:

the "Act" means the Landlord and Tenant Act 1987.

the "Freeholder" means Skylord Properties Ltd or their successors in title to the reversion immediately expectant upon the Headlease.

the "**Property**" means the five residential flats, and the common parts serving the same, at 134 High Street, Rickmansworth, Hertfordshire WD3 1AB.

the "Landlord" means Baljinder Singh or their successors in title to the reversion immediately expectant upon the Leases.

the "**Headlease**" means the head lease dated 26 May 1999 made between (1) Carisma Holidays (Properties) Limited and (2) Beacon Housing Association.

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 Matthew Young BSc (Open) FTPI AssocRICS.

the "2013 Order" means the management order dated 1 August 2013 appointing the Manager under section 24(1) of the Act as the manager of the Property (following the previous such order from 2011).

the "**Tribunal**" means the First-tier Tribunal (Property Chamber).

ORDER

2. The 2013 Order is continuing, as varied below with effect from the date of this Order. It is hereby varied to bind all of the Respondents, who must comply with it.

Variation to terminate appointment on 24 March 2026

3. Paragraph 7 of the 2013 Order is varied by deleting the words after "7. *The Manager shall be appointed from the date of this Order*" and substituting the words:

"and the Manager's appointment shall end on **24 March 2026** (the "**end date**")."

Variations of the management order terms

- 4. For ease of reference in future, the other paragraphs of the 2013 Order are replaced with the following provisions. These require the Freeholder to continue to insure the relevant building(s), with provisions in case they fail to provide evidence of sufficient insurance, and follow specific provisions in the 2013 Order. Otherwise, they follow the current standard form of management order used by the Tribunal.
- 5. 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.
- 6. The purpose of this Order is (and the purpose of the previous management orders was) to provide for the interim management of the

Property in the continuing absence of the Landlord. The termination date above has been set because it appears to allow sufficient time for matters in relation to the Landlord/Headlease to be resolved and/or for the Freeholder and Tenants to make appropriate arrangements for the future management of the Property.

- 7. The Manager shall manage the Property in accordance with:
 - (a) the terms of this Order and the Directions set out below;
 - (b) the respective obligations of the Landlord and the Tenants under the Leases (save where modified by this Order);
 - (c) the obligations of the Landlord (and where appropriate the Freeholder) under the Headlease;
 - (d) 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
 - (e) the provisions of sections 18 to 30 of the Landlord and Tenant Act 1985.
- 8. From the date of this Order, 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. The Tribunal may, upon receipt of information or notification of change of circumstances, issue directions to the parties, or any other interested person, concerning the operation of this Order, both during its term, and after its expiry.
- 12. 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.
- 13. 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) of the Act. 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

14. The Manager may place, supervise and administer contracts and check demands for payment and make payment(s) in respect of goods, services and equipment supplied for the benefit of the Property.

Licences to assign, approvals and pre-contract enquiries

- 15. The Manager shall be responsible for carrying out those functions in the residential Leases concerning approvals and permissions, including those for sublettings, assignments, alterations and improvements, that the Leases provide should be carried out by the Landlord.
- 16. The Manager shall be responsible for responding to pre-contract enquiries regarding the sale of a residential flat at the Property.

Legal Proceedings

- 17. The Manager may bring or defend any court or tribunal proceedings relating to management of the Property (whether contractual or tortious) and may make any arrangement or compromise on behalf of the Landlord in connection with the Headlease 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.
- 18. Such entitlement includes bringing proceedings in respect of arrears of service charge and rent 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.
- 19. 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.

20. The Manager may rank and claim in the bankruptcy, insolvency, sequestration or liquidation of any Tenant owing sums of money under their Lease.

Remuneration

- 21. The Tenants are responsible for payment of the Managers' fees, which are payable under the provisions of this Order but may be collected under the service charge mechanisms of their Leases.
- 22. The sums payable are those set out in the Schedule to this Order.

Ground rent and service charge

- 23. The Manager shall collect the ground rents payable under the residential Leases.
- 24. 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 (including any arrears, the recovery of which shall be at the discretion of the Manager).
- 25. Whether or not the terms of any Lease so provides, the Manager shall have the authority to:
 - (a) demand payments in advance and balancing payments at the end of the accounting year;
 - (b) establish a sinking fund to meet the Landlord's obligations under the Leases;
 - (c) allocate credits of service charge due to Tenants at the end of the accounting year to the sinking fund; and
 - (d) alter the accounting year and to collect arrears of service charge and insurance that have accrued before their appointment.
- 26. The Manager is entitled to instruct and recover through the service charge the reasonable cost and fees of any managing agents, surveyors, architects, solicitors, counsel, and other professional persons or firms, incurred by them whilst carrying out their functions under the Order.

Administration Charges

27. The Manager may recover administration charges from individual Tenants for their costs incurred in collecting ground rent, 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

28. In the event of a dispute regarding the payability of any sum payable under this Order by any Tenant, 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.
- 29. In the event of a dispute regarding the payability of any sum payable under this Order by the Landlord/Freeholder, other than a payment under a Lease, the Manager or the Landlord or the Freeholder may apply to the Tribunal seeking a determination as to whether the sum in dispute is payable and, if so, in what amount.
- 30. 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.
- 31. 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 AND FREEHOLDER

- 32. The Landlord and the Freeholder must comply with the terms of this Order.
- 33. On any disposition other than a charge of the Landlord's estate in the Property, the Landlord must 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.
- 34. On any disposition other than a charge of the Freeholder's estate in the Property, the Freeholder must 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.
- 35. The Landlord and the Freeholder shall each 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.
- 36. The Landlord and the Freeholder shall each 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.

DIRECTIONS TO MANAGER

37. The Manager must adhere to the terms of this Order.

Entry of a Form L restriction - Landlord's title

38. To protect the direction in paragraph 33 above, **the Manager must apply to the Land Registry** for the entry of the following restriction in the register of the Landlord's estate under title number HD376604:

"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 33 of an Order of the Tribunal dated 7 February 2025 have been complied with."

Entry of a Form L restriction - Freeholder's title

39. To protect the direction in paragraph 34 above, **the Manager must apply to the Land Registry** for the entry of the following restriction in the register of the Freeholder's estate (registered in the name of Skylord Properties Limited) under title number HD348423:

"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 34 of an Order of the Tribunal dated 7 February 2025 have been complied with."

Registration

- 40. The Manager must make applications to HM Land Registry for entry of the restrictions referred to above, within 14 days of the date of this Order
- 41. A copy of the Order should accompany the applications (unless it is submitted by a solicitor able to make the necessary declaration at Box 8(c) of the RX1 application form). The application should confirm that:
 - this is an Order made under the Landlord and Tenant Act 1987, Part II (Appointment of Managers by a Tribunal) and that pursuant to section 24(8) of the 1987 Act, the Land Registration Act 2002 shall apply in relation to an Order made under this section as they apply in relation to an order appointing a receiver or sequestrator of land; and

• consequently, pursuant to Rule 93(s) of the Land Registration Rules 2003, the Manager is a person regarded as having sufficient interest to apply for a restriction in standard Form L or N.

Conflicts of interest

42. 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

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

Insurance

- 44. The Freeholder must maintain appropriate buildings insurance for the Property (in the terms required by the Headlease) and ensure that the Manager's interest is noted in the Property.
- 45. Within 14 days from the date of this Order (and within 14 days of a request from the Manager for copies of future documents) the Freeholder must provide to the Manager all information reasonably requested by the Manager in respect of the insurance of the Property, including copies of all relevant policy documents and invoices. The Manager may collect contributions from the Tenants towards the relevant insurance costs and pay these to the Freeholder.
- 46. If the Freeholder fails to comply with paragraph 45 above:
 - a. the Manager shall take out and maintain appropriate buildings insurance for the Property (and if necessary the ground floor commercial parts in the building of which the Property forms part), making all necessary arrangements with the insurers/brokers to ensure cover will not be jeopardised by any insurance policy of the Freeholder, and ensure that the Manager's interest is noted on the insurance policy; and
 - b. to enable the Manager to comply with this paragraph, the Manager may collect advance and/or subsequent payments:
 - i. from the Tenants to enable the Manager to procure such buildings insurance; and
 - ii. if the Manager needs to procure insurance which includes the commercial parts, from the Freeholder and/or, if the Freeholder fails to pay promptly, from the occupiers for the time being of the commercial parts, for any proportion of the insurance costs which relates to the commercial parts.
- 47. Throughout the appointment, the Manager must ensure that he has appropriate professional indemnity insurance cover in the sum of at least £1 million and shall upon request provide copies of the certificate of liability insurance to the Tribunal and to any Tenant or the Landlord

or the Freeholder. The certificate should specifically state that it applies to the duties of a Tribunal appointed Manager.

Accounts

48. The Manager shall deal separately with and shall distinguish between monies received pursuant to any reserve fund (whether under the provisions of the Leases (if any) or otherwise) and all other monies received pursuant to his appointment and shall keep in a separate bank account or accounts established for that purpose monies received on account of the reserve fund.

49. The Manager must:

- (a) prepare an annual service charge budget (consulting with the Tenants and other parties as appropriate);
- (b) prepare and submit to the Freeholder, the Landlord and the Tenants an annual statement of account detailing all monies receivable, received and expended;
- (c) 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 of the Landlord and Tenant Act 1985;
- (d) maintain on trust in an interest-bearing account or accounts 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;
- (e) hold all monies collected in accordance with the provisions of the Code; and
- (f) deal with all enquiries, complaints and other correspondence from Tenants or other parties, or their representatives, about matters arising from the day to day financial management of the Property.

Repairs and maintenance

50. The Manager must:

- (a) deal with all reasonable enquiries raised by Tenants in relation to repair or maintenance work and, where appropriate, liaise with the Freeholder/Landlord in relation to matters which may concern them or for which they may be responsible;
- (b) carry out regular basic inspections (not less than once per year);
- (c) subject to receiving sufficient prior funds:
 - (i) procure the carrying out of 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) where required, arrange and supervise any required major works to the Property, including preparing a specification of works and obtaining competitive tenders.
- (d) liaise with all relevant statutory bodies in the carrying out of their management functions under the Order; and
- (e) ensure that the Freeholder (and the Landlord, if practicable) and the Tenants, are consulted on any planned and major works to the Property and to give proper regard to their views.
- 51. The Manager has the power to incur expenditure in respect of health and safety equipment reasonably required to comply with regulatory and statutory requirements.

Records and reporting

- 52. The Manager must keep appropriate professional records in relation to the management of the Property, including any agreements entered into by the Manager and any changes in the Tenants or other parties.
- 53. By no later than six months from the date of this Order 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

- 54. 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).
- 55. Unless the Tribunal directs otherwise the Manager must within six months of the end date:
 - (a) prepare final closing accounts and send copies of the accounts and the Final Report to the Freeholder, Landlord and Tenants, who may raise queries on them within 14 days; and
 - (b) answer any such queries within a further 28 days.
- 56. 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 - Manager's fees

- (1) The annual fee of £268.66 plus VAT per flat for performing the duties set out in paragraph 3.4 of the RICS Code (so far as applicable), including the general duties in this Order (with the exception of supervision of any major works). Such <u>fee hourly rate</u> may be subject to annual increase as provided for in paragraph (5) below.
- (2) Fees for collecting ground rent of 10% (or up to 20%, if the relevant party agrees or the Tribunal determines this is reasonable) of the amount collected, plus VAT, to be split equally between the Manager and his appointed managing agent, if any.
- (3) An additional reasonable charge may be made in relation to the arrangement and supervision of major works, if these are needed.
- (4) An additional charge for dealing with solicitors enquiries on proposed transfer, or the further tasks set out in paragraph 3.5 of the RICS Code or any other appropriate tasks which fall outside the duties described above. This will be made on a time-spent basis (and in the case of solicitors enquiries on transfer will be payable by the outgoing Tenant; the Manager should obtain an undertaking from their solicitors to pay such costs before carrying out such work) at the hourly rate of £250 plus VAT. Such hourly rate may be subject to annual increase as provided for in paragraph (5) below.
- (5) Upon presenting the service charge budget for the next financial year and each subsequent financial year (if relevant) the Manager shall notify the Tenants of any changes to his management fees provided always that the increase for each financial year shall not exceed 5% of the previous management fee.

Judge David Wyatt

7 February 2025

Corrected by the Judge under Rule 50 as shown underlined/struck out in paragraphs (1) and (3) above, on 11 February 2025 with effect from 7 February 2025.